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THE LEAGUE OF NATIONS

"WHAT WE SEEK IS THE REIGN OF LAW, BASED UPON THE CONSENT OF THE GOVERNED AND SUSTAINED BY THE ORGANIZED OPINION OF MANKIND."

WOODROW WILSON: *Address at Mt. Vernon, July 4, 1918.*

THE LEAGUE OF NATIONS

TODAY AND TOMORROW

A Discussion of International Organization
Present and to Come

BY

HORACE MEYER KALLEN, PH.D.

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PREFACE

THE preface of a work is mostly retrospect and summary, printed first, but conceived and written last. Its virtue is that it gives a writer a chance to overtake events. In the present instance, the virtue is maximal. On September 27, 1918, at the Metropolitan Opera House, New York City, President Wilson made the most recent of his classic statements of the issues between the democracies of the world and the Central Powers. Whatever the motives of the war may have been in the beginning, today, he said, "the common will of mankind has been substituted for the particular purposes of individual states." The war is "a peoples' war, and peoples of all sorts and races, of every degree of power and variety of fortune, are involved in its sweeping processes of change and settlement." Its issues are peoples' issues, and he is at this moment gladly making reply to a challenge of peoples, is answering the demand "of assemblies and associations of many kinds made up of plain workaday people" that their Governments "shall tell them plainly what it is, exactly what it is, that they are seeking in this war, and what they think the items of final settlement shall be." His reply is that the settlement must aim at "secure and lasting peace"; that such a peace has, of course, its price, and that this price must be paid. The price is "impartial justice in every item of the settlement, no matter whose interest is crossed; and not only impartial justice, but also the

satisfaction of the several peoples whose fortunes are dealt with." There is only one instrument "by which it can be made certain that the agreements of the peace will be honored and fulfilled." This instrument is — the League of Nations. Its constitution, hence, "and the clear definition of its objects must be a part, is in a sense the most essential part, of the peace settlement itself. . . . It is necessary to guarantee the peace, and the peace cannot be guaranteed as an afterthought." The League of Nations is, in a word, to be the insurance of mankind against assault and treachery, and this insurance must rest upon at least these five conditions:

First: The impartial justice meted out must involve no discrimination between those to whom we wish to be just and those to whom we do not wish to be just. It must be a justice that plays no favorites and knows no standard but the equal rights of the several peoples concerned;

Second: No special or separate interest of any single nation or any group of nations can be made the basis of any part of the settlement which is not consistent with the common interest of all;

Third: There can be no leagues or alliance or special covenants and understandings within the general and common family of the League of Nations;

Fourth, and more specifically: There can be no special, selfish economic combinations within the league and no employment of any form of economic boycott or exclusion except as the power of economic penalty by exclusion from the markets of the world may be vested in the League of Nations itself as a means of discipline and control;

Fifth: All international agreements and treaties of every kind must be made known in their entirety to the rest of the world.

The League of Nations, Mr. Wilson concludes, in sum, is to be The Structure of Lasting Peace.

In view of the economic and military rivalries which led up to the war; of the secret understandings and agreements made during the war — on the side of the democratic powers, at least, now frankly and happily repudiated; in view of the events of the war itself, no other conclusion was possible. It is the conclusion of the conscience of the world, expressed by Mr. Wilson with characteristic elevation of tone and perfection of form.

This conclusion is the theme of the present study. For the past year and longer a body of men of affairs, university men and journalists, mostly editors, have given themselves to the collective consideration of the economic and political relations between states and peoples in so far as these have been factors in causing, and must be dealt with in ending, this civil war. The League of Nati[illegible]as inevitably one of the ways of relating peoples [illegible]ates for the maintenance of peace on which res[illegible] was to be undertaken and a report made. A committee, consisting of Mr. Ralph S. Rounds of the New York Bar, and the writer, were designated to organize and conduct an investigation, of which the result is the present monograph. Such virtue as it may be found to possess it owes to the relentless and patient analysis, the painstaking criticism made by Mr. Rounds of the proposals, evidences, and material brought together, collated and set forth by the writer. The faults are the writer's own. What-

ever they may be, they are incident in an attempt to discover as conscientiously and impartially as we knew how, what, in the light of the history and the character of international quarrels, of past agreements and present purposes, of old institutions improved and new ones created, the objects and constitution of the League of Nations might be, the clear definition of which, the President of the United States has said, "must be a part, is in a sense the most essential part, of the peace settlement itself."

HORACE M. KALLEN

NEW YORK CITY
1 October 1918

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INTRODUCTION

THE LEAGUE OF NATIONS AND THE TERMS OF PEACE

ON January 8, 1918, Woodrow Wilson, President of the United States, addressed the two houses of Congress on the terms of peace. He made the address at this time because of the call of Revolutionary Russia, at bay at Brest-Litovsk. He made it to reassure Russia upon the attitude of the democratic powers toward the Russian democracy, and to set forth explicitly the conditions upon which a general peace could be established. These conditions were fourteen in number, viz:

ONE

Open covenants of peace, openly arrived at, after which there shall be no private international understandings of any kind, but diplomacy shall proceed always frankly and in the public view.

TWO

Absolute freedom of navigation upon the seas, outside territorial waters, alike in peace and in war, except as the seas may be closed in whole or in part by international action for the enforcement of international covenants.

THREE

The removal, so far as possible, of all economic barriers and the establishment of an equality of trade

conditions among all the nations consenting to the peace and associating themselves for its maintenance.

FOUR

Adequate guarantees given and taken that national armaments will be reduced to the lowest point consistent with domestic safety.

FIVE

A free, open-minded and absolutely impartial adjustment of all colonial claims based upon a strict observance of the principle that in determining all such questions of sovereignty the interests of the populations concerned must have equal weight with the equitable claims of the government whose title is to be determined.

SIX

The evacuation of all Russian territory and such settlement of all questions affecting Russia as will secure the best and freest cooperation of the other nations of the world in obtaining for her an unhampered and unembarrassed opportunity for the independent determination of her own political development and national policy and assure her of a sincere welcome into the society of free nations under institutions of her own choosing; and, more than a welcome, assistance also of every kind that she may need and may herself desire. The treatment accorded Russia by her sister nations in the months to come will be the acid test of their good will, of their comprehension of her needs as distinguished from their own interests, and of their intelligent and unselfish sympathy.

SEVEN

Belgium, the whole world will agree, must be evacuated and restored, without any attempt to limit the sovereignty which she enjoys in common with the other free nations. No other single act will serve as this will to restore confidence among the nations in the laws which they have themselves set and demanded for the government of their relations with one another. Without this healing act the whole structure and validity of international law is forever impaired.

EIGHT

All French territory should be freed and the invalid portions restored and the wrong done to France by Prussia in 1871 in the matter of Alsace-Lorraine, which has unsettled the peace of the world for nearly fifty years, should be righted in order that peace may once more be made secure in the interest of all.

NINE

A readjustment of the frontiers of Italy should be effected along clearly recognizable lines of nationality.

TEN

The peoples of Austria-Hungary, whose place among the nations we wish to see safeguarded and assured, should be accorded the freest opportunity of autonomous development.

ELEVEN

Roumania, Serbia and Montenegro should be evacuated; occupied territories restored; Serbia accorded

free and secure access to the sea; and the relations of the several Balkan states to one another determined by friendly counsel along historically established lines of allegiance and nationality; and international guarantees of the political and economic independence and territorial integrity of the several Balkan states should be entered into.

TWELVE

The Turkish portions of the present Ottoman empire should be assured a secure sovereignty, but the other nationalities which are now under Turkish rule should be assured an undoubted security of life and an absolutely unmolested opportunity of autonomous development, and the Dardanelles should be permanently opened as a free passage to the ships and commerce of all nations under international guarantee.

THIRTEEN

An independent Polish state should be erected which should include territories inhabited by indisputably Polish populations, which should be assured a free and secure access to the sea, and whose political and economic independence should be guaranteed by international covenant.

FOURTEEN

A general association of nations must be formed under specific covenants for the purpose of affording mutual guarantees of political independence and territorial integrity to great and small states alike.

A day or two later, Lloyd George, answering the same call, made a statement which was practically an

Anglo-French declaration. It was in substance identical with President Wilson's. The latter, on February 11, restated his peace-terms in the form of four principles, of which the fourteen conditions of January 8 might be regarded as applications. These principles were:

First — That each part of the final settlement must be based upon the essential justice of that particular case and upon such adjustments as are most likely to bring a peace that will be permanent.

Second — That peoples and provinces are not to be bartered about from sovereignty to sovereignty as if they were mere chattels and pawns in a game, even the great game, now forever discredited, of the balance of power; but that,

Third — Every territorial settlement involved in this war must be made in the interest and for the benefit of the populations concerned, and not as a part of any mere adjustment or compromise of claims among rival States; and,

Fourth — That all well-defined national aspirations shall be accorded the utmost satisfaction that can be accorded them without introducing new or perpetuating old elements of discord and antagonism that would be likely in time to break the peace of Europe, and consequently of the world.

This whole conception of the rules and conditions of peace was endorsed by the Inter-Allied Labor and Socialist Conference on February 23, its memorandum on the matter being hardly anything more than a restatement of the terms of the addresses of January 8 and February 11. These are, to date, the terms of

peace of the whole liberal world, regardless of class or station. On July 4, 1918, in a very memorable address at Mount Vernon, Mr. Wilson advanced his position a great way farther. With the same essential outlook and aspiration as in the earlier addresses, he declared the Allied War Aims to be (1) the destruction or reduction to impotence of every arbitrary power that can disturb the peace of the world; (2) a settlement on the basis of the free acceptance of the conditions of the settlement by the peoples immediately concerned; (3) the consent of all the nations to be governed by the same principles of honor and of respect for the common law of civilized society that govern the individual citizens of modern states; (4) the establishment of an organization of peace. Ultimately, Mr. Wilson's whole view rests upon three conceptions — *nationality*, *democracy*, economic as well as political, and *the rule of law*. All the slogans of the new time may be subsumed under them — "the self-determination of peoples," "no annexations," and so on. The last — the rule of law — is of particular importance, for without it, there might well be difficulty in reconciling the other two. This is why the principles declared on February 11 call attention to an element not so conspicuous in the specific items of the address of January 8. This element is the *general condition of permanent peace*. Each item of the settlement must be taken in its setting in the international totality: "essential justice" must be harmonized with "adjustments most likely to bring a peace that will be permanent." The principle of nationality, in a word, which underlies the four rules of negotiation, is itself to be secured only by a principle of internationalism, by an

ideal of the stability and peace of the whole political complex of mankind. Such an ideal involves a law of nations which shall apply equally to all states and shall safeguard the peace that is made against violation in any way whatsoever. To create such a law and such a safeguard requires a degree of international organization likely to give pause both to the fearful and the skeptical. It requires the League of Nations as a framework and sanction for the terms of peace. Whether the president has completely realized this is not clear either from the four principles of February 11 or the fourteen conditions of January 8. The League is the fourteenth of those conditions, and its limitations are definite. It is to guarantee "political independence and territorial integrity to great and small states alike," but nowadays economic subjection goes hand in hand with "political independence," and cultural persecution with territorial integrity. Thus, the peace conference might carry out to the full the nine stipulations that deal with the liberation of oppressed nationalities, and the League of Nations might guarantee to the full their political independence and territorial integrity, yet leave them not a whit better off. Prior to the war Serbia had territorial integrity and political independence, but she was being crushed by Austrian tariffs and the lack of harbors, so that her politics became a plaything of Austrian intrigue and her territory either a wilderness or a servant of the Austrian will. Territorial integrity and political independence mean nothing without economic opportunity. Now this is demanded equally for all nations in the first and second articles, but unless it has a stronger sanction than the mere convention of a peace conference, what

hope has it? There have been conventions and conferences before this, — at Berlin, at Algeciras, at the Hague, — and what are they? Scraps of paper, all, in the hands of insidious diplomacy or murderous brutality. Unless the "freedom of the seas" and the "equality of trade conditions" are established by law and maintained by organized and lawful agencies what hope is there for them? Or what hope for a genuine open diplomacy? For if the governments of two nations decide to commit the blood and treasure of their peoples, without their consent and unknown to them, to whatever adventure of intrigue or profit against the peace of another, and usually weaker, nation, what is to prevent? What is to prevent, unless it be a law prohibiting just that, backed by a force able effectively to punish its violation? And again, who is to give, and who is to take, the "adequate guarantees" for regulation of armament? Each state to all the others? What will it pledge? How will it be punished if it breaks its word? On the matter of regulation of armament a concert of some kind is indispensable if regulation is to be more than a mere word. The custody of new military inventions alone would require an international agency; and assurance that the states signatory to an agreement on disarmament have kept their words would require international inspection and supervision.

These fourteen conditions of peace, then, require if they are to be realized and to be maintained after they are realized, a framework of international law and international organization having a far larger scope than that suggested by the last condition. The League of Nations they require will have to be of far wider

scope and completer organization than anything yet formally suggested. It is the whole of which the separate conditions of peace are interdependent parts. Its law must be the law of the whole by which all the parts must be regulated. Without it any peace will be no more than patchwork: with it only, a just peace can be established and preserved.

Now the establishment of a just peace and the provision for its maintenance by a League of Nations rests upon the defeat of Germany and the destruction of the power of her rulers. Without such a defeat the arrangements of Brest-Litovsk will stand, and the entrenchment of reaction in Rumania, the Ukraine, Poland, Finland, Lithuania, Livonia, Esthonia, and Courland will be consummated. Today the masters of Germany are fighting not for victory abroad but for the preservation of their dominion at home. Their methods are those they have made familiar in the course of four years of battle: to offset disaster in the field with peace-maneuvers, and to offer for peace everything but the essentials. It does not matter to them what they do with their "cannon-fodder," so long as their own interests and privileges are preserved. They are afraid of the awakening which will turn their cannon-fodder into human beings. Defeat brought freedom to the people of Russia; nothing less can bring freedom to the people of Germany. For the people defeat is purgation. Once they have been defeated, and thus freed, they have their place to claim and to hold in the family of nations as a decent member of that family. Short of defeat, agreement on peace-terms which will destroy militarism and imperialism is inconceivable. The evidence of defeat will be the

undebated and unconditional agreement to the League of Nations, powerful enough to protect the little nations, to control armaments, to maintain the equality of economic opportunity, and to protect the peoples and resources of Africa and the undeveloped countries. Such a league is the will of the great liberal masses of Europe and America. Such a league is implied in the statements of the most powerful spokesman of these masses, who is the President of the United States. Such a league is inevitable.

THE LEAGUE OF NATIONS
TODAY AND TOMORROW

THE LEAGUE OF NATIONS TODAY AND TOMORROW

I

THE LEAGUE OF NATIONS MUST BE

THE LEAGUE OF NATIONS is inevitable. The necessities of modern economic endeavor compel it. From these spring the manoeuvres of diplomats and the competition in armaments which anteceded the great war. These have compelled all states to take sides. Except in a purely formal and technical sense there is no longer any such thing as an actual neutral. The need of supplies of raw materials and munitions from extra-territorial, mostly foreign, sources, makes every belligerent economically dependent and every neutral an accessory to one side or the other in the degree in which it trades more with one side or the other. Every neutral becomes subject to policing and retaliation by belligerents. Why do we think of Sweden as pro-German, and squeeze her, though she has been acting within her technically just rights? Why are Norway and Holland and Denmark squeezed by the belligerents almost to the breaking point? What is driving pro-German Spain into a condition of belligerency against Germany? What, before we entered the war, lay behind the essential content of President Wilson's speech of acceptance of the nomination to the presidency, September 2, 1916, or his speech in Cincinnati on October 26 of

the same year? "No nation," he said in September, "can any longer remain neutral against any wilful disturbance of the peace of the world." "War," he said in October, "now has such a scale that the position of the neutrals sooner or later becomes intolerable." The President was forced to these utterances by the fact that Great Britain, like Germany, had continued to violate American rights of neutrality. She had prevented the shipping of non-contraband to Germany. She had seriously deranged our trade with the Scandinavian states and the Low countries, regardless of the two strong protests of our government. Warfare, her replies told us, politely, in substance, knows no neutrality. In retaliation Germany added to her other atrocities the submarine campaign to derange our trade with England. Then the President sent Colonel House to Europe to establish a real freedom of the seas. But the Germans sank the Lusitania and neutrality became in fact impossible. America is at war.

America is at war, and war is international. The rise of the industrial economy of the nineteenth century brought with it the dependence of every industrial state, including the greatest, on one sort or another of raw materials from beyond its borders. Each tried to get them by seeking to establish a monopoly for itself in some savage or undeveloped country, and where it could not gain them so, by making economic and other treaties with its European neighbors. In the course of time these treaties became more than economic in their implications. They began to involve arrangements for defense and offense as well. Even England was in the end persuaded

from her "splendid isolation" into understandings with France and with Russia. Europe became a congeries of competing alliances pulling in opposed directions wherever an economic gain was to be made, and arming against each other. They called this the Balance of Power. "The fundamental idea of a Balance of Power," says Norman Angell (The Political Conditions of Allied Success, p. 171), "was stated by Polybius. 'Never,' he said, 'should any one be allowed to acquire power so great as to make it impossible for you to dispute with him concerning your just rights.' So no state or group of states should be allowed to obtain such power that others could not dispute with it or them on terms of equality.

"But how, in practical politics, are we to determine when a group has become preponderantly powerful? We know to our cost that military power is extremely difficult of just estimate. It cannot be weighed and balanced exactly. So in political practice the Balance of Power means a Rivalry of Power, because each, to be on the safe side, wants to be just a bit stronger than the other. You get a condition indeed in which security for both depends upon each being stronger than the other. In the end there is bound to be a trial of strength. It creates of itself the very condition it set out to prevent."

War, in sum, is nowadays waged by alliances organized in the hope of preventing precisely the eventuality they create. Only where the distribution of power is in a preponderance so great that, no matter what factors in the situation are considered, there can be no doubt as to the issue, can an alliance or entente of any sort be effective. Such alliances as the Euro-

pean concert have maintained against Turkey or China, for example, have had in spite of their predatory character the effect of keeping the peace, and it is very probable that if Germany had known the force that would eventually count against her, not even she would have made war. War, in a word, is prevented, not by a balance of power, but by a preponderance of power. The larger the number of states in any defensive and offensive alliance, the less likely is any one of them to be assaulted by an outsider. Such alliances have carried with them, and must in the future carry with them still more, economic as well as military reciprocities. The League of Nations is simply an alliance of this kind which states shall make on equitable terms and which shall be all-inclusive. Whatever security or sovereignty any state may want to preserve or to develop is now dependent on the reciprocal guarantees of alliance and treaty. No state depending for raw material on territory outside its sovereignty is absolutely sovereign and no sovereignty is absolutely secure that is exercised over materials essential to the life and prosperity of other states. If states are to retain their present integrity, then sovereignty and security are possible only through reciprocal serving of interests and reciprocal guarantees. This is particularly true for neutralized states, like Belgium, and small states, like Serbia. If "the principle of nationality" is actually to be vindicated by the war and not only these states but new ones like Poland, Bohemia, Judea, Finland, Ukrainia are to have a chance at "self-determination" and development, an alliance tantamount to a League of Nations is indispensable. Only the fear of power can prevent aggression against them.

A return to the *status quo ante* in international relations would still have to involve the degree of difference from the *status quo ante* which would be made by the creation of effective guarantees for the security and sovereignty of small states. But such guarantees, to be effective, would require some organ for the accommodation of differences and for the arrangement of cooperation among the guarantors. Without these, war between them becomes, under the conditions of the *status quo ante*, inevitable, and with war, the small states are doomed. With war, moreover, must come sooner or later a preponderance of power in a single state — such a preponderance as Germany has among the central powers, or which, if she should be victorious, would be hers in Europe, and ultimately in Asia. Aggression on the part of any power must, as things stand now, lead to mutual destruction or to the ultimate dominion of one power, to an empire such as the pan-Germanists dream of. The only alternative to empire, to the hegemony of one state over all, is federation. In the settlement of the present war imperialism will be confronted by internationalism, the rule of one by the cooperation of all. The alternative is absolute. There is no *tertium quid.*

This is recognized among both the governments and peoples of the democratic powers. The United States, the British Empire, France, Russia and Italy stand committed to a League of Nations. In France a governmental commission, whose head is M. Léon Bourgeois, has submitted to the government a proposal for its organization, and both public and private agencies are at work on proposals in Great Britain, the United States, Italy. The question before civilized

mankind is not: *Shall there be a League of Nations?* The question before mankind is: *What sort of a League of Nations shall there be?*

Objections to it come from three types of persons. There are those whose interests are vested in the *status quo ante.* The Junker class everywhere belongs to this order. It fears for its power at home far more than for the integrity and prosperity of the state. It desires a peace which will not shake this power, and it will make any sacrifice to retain it. As the power rests on the alliance of financial, armor-making and diplomatic interests, no peace that it will make can be anything more than a period of recuperation for new war. In the public declarations of their governments the democracies have ruled out that kind of peace.

Others honestly fear for the security of their countries. Socially and spiritually they are close to the Junker classes, and their interests are to some degree coincident. They have their eyes on industrial development at home and on trade and investment monopolies abroad. In the United States they have been organizing for financial and industrial expansion in South America and in China; in England they are the champions of the program of economic, to succeed military, warfare, with a strong military organization to back it up. The loudest American voice of this type of interest is Mr. Roosevelt. Yet even Mr. Roosevelt, in the days before the passions of his class overwhelmed his initial good sense, saw the inevitable conclusion from the international situation. In the course of a discussion of why America should enter the war he said, "Fear of national destruction will prompt men to do almost anything, and the proper remedy for

outsiders to work for is the removal of the fear. If Germany were absolutely free from the danger of the least aggression on her eastern and western frontiers, I believe that German public sentiment would refuse to sanction such acts as those against Belgium. The only effective way to free it from this fear is to have outside nations like the United States in good faith undertake to defend Germany's honor and territorial integrity." The League of Nations consists only in making such undertakings general and reciprocal. The chances of their failure are decreased in proportion as the number of undertakers is increased. It was only Germany that violated Belgium. Perhaps it was only Germany that could have done this. But if the military intention of England and the military obligations of the United States to defend Belgium had been clear and explicit, under the law of nations, would the Germans have dared? We know from their own mouths that they would not. Their hysterical hatred of England was the direct consequence of what they held to be British deception about British intentions. Britain's entry into the war destroyed their initial advantage, and they "hated" in proportion to their loss. On the other side of the shield which this class whose voice is Mr. Roosevelt raises against the League of Nations is the economic interest of its various countries, — that is, in truth, its own economic interest as a class. But without trade and investment monopolies abroad, its interests are starved; with them, it is condemned to the expenses of competitive armament and secret diplomacy and, finally, to the absolute losses of war. Its interests are best served by the "open door," by equality of economic opportunity and by

the creation of a growing demand for its manufactures. Such conditions, however, only agreements tantamount to the League of Nations can secure and maintain.

Another set of objections to the League comes from a type of intellectual who has liberal preferences but a conservative will. As one prominent American said of another, little less prominent, he means well, but he means well weakly. He has read history, he is versed in the deviousness and dishonesty of diplomats, the inertia of the masses, the rapacity of the interests and the shallowness of public opinion, and these have made of his mind a mind of desire without hope. He believes in a League of Nations, but — the times are not ready for it, human nature is not sufficiently developed, so it can't be adopted, and even if it is adopted, it won't work.

His initial fallacy lies in his mental attitude. Most "facts" and obstacles, particularly social facts, are insurmountable only when there is no effective will to undertake surmounting them. As a matter of history nothing humanly worth while has seemed possible when it was first proposed. Not a scientific idea nor a mechanical invention, not a political revolution nor a religious reform but was met first with "Impossible!" "Utopian!" "Contrary to human nature!" and so on. Each one, from the heliocentric theory to the flying machine, was carried first by the will and faith and urgency of its proponents, and then by the pressure of events and the gathering momentum of its own success. In the matter of the League of Nations the same conditions hold. Given all the disillusion that history generates, men who care at all for a freer and more orderly life for mankind must set their wills to achieve

it even against the obstruction of "facts of human nature and history," if necessary. They must care enough about the League of Nations to face for it any obstacle and to take any risk. They must, with the great Foch, believe an offensive which has failed to be worth more for ultimate success than no action at all. They must undertake the League of Nations as men undertake battle: believing in victory, though prepared for defeat. "My right," said Foch, during the most critical period of the first battle of the Marne, "is defeated, my left is falling back. Good. I will attack." He attacked and won the Marne. With the League of Nations things are not so bad, however. The facts do not obstruct, and the danger of failure is negligible. Events have forced an organization of nations into being, and its own best vindicator is the growth of its achievement with the growth of its scope, and the growing urgency of statesmen that this scope shall as soon as possible be set at the maximum. As the armies of the Allies are pooled, so the food, munitions and shipping of the Allies are pooled. Already in August Lord Robert Cecil, English under-Secretary of State for Foreign Affairs, speaking in London at the celebration of the fourth anniversary of the establishment of the International Commission on Revictualling, said:

"The unity of the alliance is due to the realization that we are engaged in a great cause — fighting for justice against force, right against might. If we are merely going to restore by our victory the world to what it was before, then, I will not say this war has been fought in vain, but we shall have missed the greatest chance ever offered to a generation of men.

"We must rebuild the international system. That is why I believe this commission is the organization upon which a League of Nations can ultimately be built.

"I have said that we are in partnership. It is by conforming to and extending that partnership that we, perhaps, could show the way for a future organization of nations. I believe this to be the greatest opportunity for statesmanship ever offered to mankind. It is our business not to falter. Let us proceed with the work of which this commission is an example. Let us proceed to work in other ways also. Thus, perchance, we shall find we have advanced some distance toward the great consummation of peace on earth and good will towards men."

A later speech by the same statesman, September 2, voicing the views of all the democratic powers, shows even more clearly what the experience of the war has forced upon the recognition of the governments: "It is, the coordination of the allied needs and allied resources with allied shipping which would make an overwhelming economic power of the alliance to which we all belong." Lord Robert Cecil is neither in social background nor intellectual outlook distinguished for liberalism. Yet he asks for the uttermost extension of that organization of the democratic powers which is the essence of the League of Nations. Some time after this was written news of the completion of the organization was made public, as the following item from the New York Times shows.

"WASHINGTON, *Oct.* 2. — The long planned centralized control of all the economic forces of

the nations fighting Germany is at last a fact. It applies the principles of the unified military command to raw materials, manufactured products, shipping, finance, food, and the export and import relations of the United States and the co-belligerents.

"The great plan was worked out by President Wilson's so-called War Cabinet and the allied missions. It has been approved by the President and the Premiers of the Entente nations. No announcement of its consummation has been made here; in fact, it has rather been withheld from publicity. Some of its details and the fact that it is actually in operation have become known through developments in Paris and London.

"Coordination is built around the five interallied councils — War, Shipping, Munitions, Food, and Finance. Under these special bodies completion of a common economic and industrial program is now being undertaken, principally in London and Paris, and limited to the following cases: 'Where two or more Governments are interested in supplies which must be transported overseas to supplement deficiencies in local production, or where several sources of supplies should be agreed upon, together with the allotment and method of their distribution or utilization, or where there might without agreement be competition between Governments in procuring supplies or a wasteful duplication of productive effort.'

"Subordinate to the interallied councils are being organized commodity committees or executives. While the interallied councils are com-

posed of men of so-called Ministerial or Cabinet rank, the committees will be made up of men of lesser position, but experts in their particular commodities.

"The committees will deal directly with virtually all materials and commodities for the prosecution of the war. These include nitrates, tungsten, and tin, international pooling agreements for which have recently been effected in Paris and London, non-ferrous metals, iron and steel, hides and leather, rubber, wool, and all other raw materials or manufactured products of which there may be a shortage, or where competitive and shipping conditions, and the local production and distribution situation make control desirable. Pooling agreements for these latter will be effected as the necessity arises.

"The committees will be responsible to the five interallied councils. Any differences arising as to allocation of ships or material or other matters of a serious or vital nature, on which the members of the interallied councils are unable to agree, will be submitted to President Wilson and the Premiers of the allied nations for settlement.

"Food control already has been centred in London, following Food Administrator Hoover's recent visit abroad to attend the Interallied Conference in London. One of the results of his trip, it became known today, was the perfection of the President's plan for centralized control, and its acceptance by England, France, and Italy.

"The Munitions Council meets in Paris with two American representatives, Assistant Secretary

of War Stettinius for the War Department, and L. L. Summers of the War Industries Board, personal representative of Chairman Baruch of that organization.

"America, through its position as the storehouse of the world, and not less through President Wilson's world leadership, accepted by the Allies, probably will be the guiding hand in the plan for centralized control."

Far from being impossible to adopt, this organization is one whose adoption circumstances have compelled. And these remarks of the British Secretary show another thing. They show that the notion that the organization "won't work" is also derived from tradition and inertia and not from experiment. In point of fact such organization as there exists at present works so well that those who are near to its operations want more of it, not less of it. Among the democratic powers, the League of Nations is today a going concern. Of course, it is a creation of the war and is operating under war conditions. Of course, manufacturers and merchants and bankers and workers are enduring hardships and carrying burdens which they would reject except in the face of a dangerous enemy. But it is a mistake to suppose that the international organization is the cause of the burdens and hardships. The international organization is a relief and mitigation of those. It serves to abolish unnecessary risks, to equalize responsibility and to prevent exploitation. These functions it would exercise even more freely and satisfactorily under democratic control in times of peace.

The fact that as between the democratic powers, the League of Nations is a going concern answers finally and completely the question: "*What sort of League shall the League of Nations be?*" It obviously should *not* be anything less than now exists. Any reduction in the scope and power of existing international organization would be an irrecoverable step backward. The only thing that should be done is to extend its membership and scope so that after they are vanquished it will include the present enemies of democracy on equal terms with its defenders, and to give to its instruments as democratic a sanction and control as practicable. For this reason all the minimum programs extant are vitiated by the same initial fallacy — the fallacy of seeking to start the League of Nations from the position it had attained before the war. Some regard the enterprises of the Hague and look to a world court without any further sanctions; others want to add to an elaborate juridical machinery a military menace against failure to use it. Both ignore the fact that in addition to what has been won for international organization through the Hague, there exists a large variety of international agencies like postals and telegraph unions, the railway union, the Danube Commission, the Sugar Commission, the Sanitary Union, and so on, and that in addition to these there are the enormous winnings through the war, that great economic and administrative organization involving the relations of 27 actual belligerents and affecting all other states exclusive of the Central Powers. All must be added to the Hague Tribunals to make the point of departure for the League of Nations. Regardless of the purely military organization,

like the Interallied War Council, international organization includes the War Trades, Industries, Food, and Maritime Transport Councils, with functions so fundamental and powers so effective as actually to have saved our Allies from disaster through lack of food and lack of men. The proposal for a League of Nations here submitted holds in view the whole of this situation.

To constitute the present or some other proposal embodying this situation as the law of nations should be the first task of the peace conference, and the delegates thereto should be chosen and instructed for this purpose. It must be the first task because the basic principles governing the relations of nations will determine the settlement of the specific problems and the attitude of the negotiating powers toward them. It must be the first task because only so can the danger of a separate peace at the Peace Conference be absolutely avoided. A single, united peace means a prior agreement on peace terms. For these reasons a public and explicit agreement among the Allies concerning the terms of peace and an absolute unity in the statement of them is an indispensable preliminary to the Peace Conference. All the political cards must be on the table if the fruits of democratic military victory are to be made secure. They can be best put on the table only by a public discussion of and agreement upon peace terms by democratically delegated representatives of the Allies, at a meeting called for the purpose. The 27 states or peoples represented at this meeting should make the nucleus of the League of Nations. Their delegates should also be the delegates to the Peace Conference. They should, if possible, be elected

by popular vote, after a campaign clarifying the problems involved and the solutions offered. Failing that, they should be elected, on the basis of proportional representation, by the popular branches of the legislatures of these states. This rule need not necessarily apply to the delegation of the Central Powers, but it should be recommended to them. The terms decided upon by the majority vote of the delegation of the democratic alliance at the Interallied preliminary conferences should be binding upon every member of the delegation. Modification of them under discussion should be permissible only by a two thirds vote of the delegation. Only so, once more, can the agreement that there shall be no separate peace be truly kept. After the organization of the Conference, the first item upon the Agenda should be the adoption of the protocol for the League of Nations. Upon its adoption it should be referred for immediate ratification either to the voters or to the popular legislatures of the conferring states and of such non-belligerents and neutrals as may ask for such reference. The protocol should then be considered the law of the land in each state where it is not rejected by a majority of the voters or two thirds of the legislature. The government of every state in which it is adopted should then take immediate measures to elect or otherwise designate its representatives to the International Council and such other international agencies on which it is entitled to representation. The time and place for the meeting and organization of these should be designated by the Peace Conference, but the meeting should take place within not more than two years after the calling of the Conference.

The administration of international affairs during the interim should be left to the Conference. This should, by agreement, sit as a Provisional International Council until relieved. The protocol for the League of Nations should govern all its negotiations and agreements. These would cover the points at issue between the belligerents, — most particularly the status of small nations, — Belgium, Serbia, Poland, Finland, Ukrainia, Lithuania, Judea, Arabia, Armenia, — the African colonies and the undeveloped countries, the freedom of the seas and equality of economic opportunity, and the problems of restoration and restitution. The Peace Conference should agree to continue in office the various international economic, sanitary and social agencies of both belligerent groups, created by the necessities of war, should coordinate them and should assume their direction. The members of these agencies, shipping boards, food boards, commissions on raw materials, and so on, should have seats in the Conference but no votes.

In this way the continuity of international organization would remain unbroken and the advantages of wartime cooperation, made secure for times of peace, be turned into a guarantee of peace itself.

II

PROTOCOL FOR A LEAGUE OF NATIONS

THE protocol for a League of Nations which here follows takes as its starting-point the principles set forth and implied in the various statements of the President of the United States on the terms of peace. It seeks to express the common denominator of those, and to designate the unity of law under which alone they can be guaranteed. To it this adds a consideration of already existing international machinery — the various commissions, congresses and unions which were in operation before the war; the Court at the Hague; and the boards, commissions and agencies established in the course of conducting the war. These it seeks to fuse into an organization, with legislative and administrative and judicial functions, with adequate sanctions, operating under law, and subject to the most democratic control possible.

Between the protocol and a minimum program such as that of the League to Enforce Peace there are any number of stopping points. It represents the logical ultimate of the combination of Inter-Allied peace-terms and the existing international organization.

I. PURPOSES OF A LEAGUE OF NATIONS

(*a*) To assure to its members and their peoples security, freedom, equality of economic and cultural opportunity and thereby to maintain lasting peace.

(*b*) To create and maintain whatever agencies may be necessary to effect these ends.

II. ELIGIBILITY TO MEMBERSHIP IN THE LEAGUE OF NATIONS

(*a*) All states shall be eligible to membership in the League of Nations.

(*b*) Their voting power in the International Council of the League shall be determined on the following bases:

1. Organization — Political, Economic.
2. Resources (economic and military; actual not potential).
3. Democratic character of governmental control (responsible government).
4. Literacy of the population.
5. Size of the population.[1]

III. PRINCIPLES OF THE LEAGUE OF NATIONS DEFINING INTERNATIONAL RELATIONS

(*a*) States constituting the League of Nations shall secure to all inhabitants of their respective territories

[1] These conditions would set in the first line of eligibility the United States, Great Britain, France, Germany, Italy, Russia (perhaps), Japan, Austria-Hungary; in the second line, Brazil, The Argentine, Belgium, The Scandinavian countries, Holland; in the third line China, Portugal, Serbia, Bulgaria, Rumania, Spain; in the fourth line the other central and South American republics, Turkey, Persia, etc.

If, as it is hoped, the League will grow out of the peace conference through the pooling and expanding of the deliberative and administrative war organization of the belligerent alliances, excepting the military organization, it would start with the following — Austria, France, Germany, Great Britain, Italy, Japan, Russia, United States, Albania, Belgium, Brazil, Bulgaria, China, Cuba, Greece, Haiti, Liberia, Montenegro, Portugal, Panama, Rumania, San Marino, Serbia, Siam, Turkey.

their civil, religious and cultural rights, regardless of race, creed, or nationality.

(*b*) Constituent states shall form no alliance with each other or with any state or states outside the League, without the knowledge and consent of the International Council of the League of Nations.

(*c*) No constituent state shall do anything to impair the security or the political or economic freedom of any other constituent state or people.

(*d*) All constituent states and peoples shall have equal rights before the law of nations.

(*e*) International law shall be paramount law in each constituent state in all matters affecting international relations; contrary legislation by constituent states shall be null.

(*f*) All treaties, constitutions and legislation contrary to these principles shall be null.

(*g*) Any constituent state may withdraw from the League of Nations if withdrawal is voted by two thirds of the voters in the state. The ballot for withdrawal shall be supervised by an election commission of the League appointed for that purpose.

IV. THE ORGANIZATION OF THE LEAGUE OF NATIONS

A. The International Council.

1. The supreme organ of the League of Nations shall be an International Council.

2. Each constituent state of the League shall be entitled to as many *representatives* in the council as it has votes, one representative counting for one vote.

3. (*a*) National representatives to the International Council shall be *elected* by *popular vote*, on the basis of

proportional representation, from twice the number of candidates to be elected.

(*b*) The candidates to be elected shall be *nominated* on two thirds vote of the *popular branch of the legislature* of each constituent state.

(*c*) Elections shall be conducted by the respective states, except where conditions of fairness and justice may make it necessary to put them under the supervision of an International Elections Commission.

(*d*) Representatives shall serve for a term of three years.

4. (*a*) The International Council or its agents shall be endowed with whatever powers are necessary to carry out the aims of the League, subject only to the following limitations:

i. It shall pass no general law limiting the political independence, the territorial integrity, or equality of economic opportunity of any member of the League.

ii. It shall pass no general law in any way limiting the cultural, religious, economic, or civil freedom of racial minorities within the constituent states of the League.

iii. International legislation may be initiated by the vote of a majority of the popular legislature of any state.

iv. International referendum to such state legislatures or to the peoples of such states may be ordered by one third the voting power in the International Council.

(*b*) The International Council or its duly delegated representatives alone shall have power to wage war,

to permit war to be waged or to punish international offenders by various degrees of non-intercourse, excommunication or interdict such as embargos, the prohibition of loans, of the payment of debts, of trading in securities, of communications, of imports or exports or both, of harborage, etc.

(*c*) The International Council shall have power to require the constituent states of the League of Nations to furnish the military and naval complements to enforce its decrees, if necessary.

B. The International Commissions.

1. To carry out common international enterprises, to effect security, freedom and equality of economic and cultural opportunity among the states of the League and their peoples, to safeguard the rights and freedom of weak or undeveloped nations and races, the International Council shall delegate its powers to the following International Commissions:

(*a*) *The International Commission on Armaments.*

(*b*) *The Commission on International Commerce* with the following *sub-commissions* on —

1. *Raw Materials*
2. *Food*
3. *Waterways*
4. *Highways*
5. *Airways*
6. *Communications*
   (a) post (b) cables
   (c) telephones
   (d) wireless
7. *Shipping*

(*c*) *The International Commission on Central Africa*

(*d*) *The Commission on International Finance* with two sub-commissions on —

1. *The International Stabilization of Credit*
2. *Political Loans and Investments*

(*e*) *The International Commission on Education*

(*f*) *The Commission on Undeveloped Countries*
(*g*) *The Commission on International Hygiene*
(*h*) *The International Commission on Labor.*

2. (*a*) The members of these commissions shall be *elected* by the International Council from twice the number nominated by the popular branch of the Legislature in each constituent state, the number from any state to be determined by the International Council in the same way as the voting power of the state in the International Council;

(*b*) International Commissioners shall serve for a term of four years.[1]

3. (*a*) Appeals may be taken from the decisions of the International Commissions first to the International Court, and thence to the International Council.

(*b*) The matters subject to appeal shall be defined by the Council.

C. The Ministry of the International Council. —

1. (*a*) The presiding officer of the International Council, together with the presiding officers of the

[1] Most of the functions here designated are already being served by various governmental or private international agencies. Before the war there were such agencies as the Danube Commission, the International Postals and Telegraph Unions, the International Institute of Agriculture, and so on, which would be simply taken over by the appropriate commissions. Since the beginning of the war there has grown up, practically, among the Allies, an International Food Commission, and in the extension and development of correlation of the various munitions ministries, etc., with the American War Industries Board and War Trade Board, there exists what is in essence identical with the proposed International Commerce Commission. The Inter-Allied War Council is a secretive and more or less undemocratic beginning of the International Council. The tasks and operations of these agencies will have to go on after the war, anyhow. What is here proposed is to expand them, integrate them and democratize their control. Very little is necessary to turn them into a real League of Nations.

International Commissions and sub-commissions and of the International Court, shall compose the Ministry of the International Council.

(*b*) The presiding officer of the International Council shall also be the presiding officer of its Ministry.

2. The Ministry shall be charged with such executive powers as may be delegated to them by the International Council.

D. The International Court.

1. An International Court shall be established with jurisdiction over all disputes between members of the League or between governments and peoples or other organizations within any state in the League.

2. All disputes among the constituent states of the League or any groups therein shall be held justiciable.

3. Non-members of the League shall be free to avail themselves of the services of the court on the same terms as members. Disputes designated by them as non-justiciable may be referred for settlement to the International Council or to agencies of conciliation created by it for the purpose.

4. (*a*) The number of Judges of the International Court shall be 25. They shall be elected by the International Council from nominations submitted by the popular branches of the Legislatures in the respective state of the League.

(*b*) They shall serve for a term of 7 years.

5. The rules prescribing the organization of the Court shall be drawn by the International Council. The Court shall elect its own officers.

6. Appeals from the decision of the International Court or any of its branches may be taken to the

International Council, which shall determine what matters coming before the court are open to appeal.

V. THE COMPENSATION OF INTERNATIONAL OFFICERS

The International Council shall have power to fix and to pay the salaries of its own members, of the judges of the International Court, of the members of the International Commissions, their agents and subordinates, and of all other officers and servants of the League of Nations.

VI. RELATIONS OF INTERNATIONAL OFFICERS TO CONSTITUENT STATES AND TO THE LEAGUE OF NATIONS

1. No officer of the League of Nations shall hold any national office, political, military, social, or civil, while in the service of the League.

2. No officer of the League of Nations shall, while in the service of the League, or for five years thereafter, accept any title, honor, emolument, or other mark of distinction or favor from the government or people of any state, whether in the League or not.

3. Negligence of public duty shall be ground for the impeachment and removal of international officers. The accused shall have a fair trial before the International Council and two thirds of the vote of the whole Council shall be necessary for impeachment.

VII. THE ENFORCEMENT OF INTERNATIONAL DECREES

A. Except in cases where appeals may be taken or a referendum is called for, failure to carry out the decrees of the International Council, its commissions

or its courts, shall be regarded as a declaration of war upon the League.

B. The economic and military resources of the constituent states of the League shall be at the disposal of the International Council for the enforcement of its decrees or those of the International Commissions and Court.

C. Decrees may be enforced or their violation punished by any action within the competency of the International Council, Commissions or Court.

VIII. THE REVENUES OF THE LEAGUE OF NATIONS

A. The International Budget:

1. The International Council shall prepare annually a budget on the basis of the costs and charges of all international agencies under its governance.

B. Levies, Fees, Tolls and Taxes.

1. The budget may be raised by *levies* on the constituent states of the League, the levies to be proportional to the voting power of the States, and

2. By *fees*, *tolls* and *taxes* on the use of international ways and other international organs and instruments.

IX. PUBLICITY

A. The sittings of the International Council, the International Courts, the International Commissions and of all bodies created or delegated by these shall be public and open.

B. The International Council, Commissions and Courts and all their agents shall keep complete records of their proceedings. These records shall at all times be open to public scrutiny and examination.

X. AMENDMENT OF THE INTERNATIONAL CODE

A. Amendment of the International Code may be made by two thirds the voting power of the League of Nations.

B. Amendments may be passed only by popular vote. The votes of each constituent state of the League shall be counted for or against the amendment in accord with the majority vote of the citizens of the state.

III

THE ARGUMENT ON THE PROTOCOL FOR A LEAGUE OF NATIONS

I. *The purpose of the League of Nations shall be* (1) *to assure to its members and their peoples security, freedom, equality of economic and of cultural opportunity, and to maintain lasting peace.* (2) *To create and maintain whatever agencies may effect these ends.*

THE League of Nations aims to attain for each nation what each nation aims to attain for itself. Its novelty is not in purpose, but in methods and means. The older method has been that of independent and absolute sovereignty for each state, the peer of, and arrayed against, the independent and absolute sovereignty of every other state. Its means have been costly rivalries in armament and trade. Each nation has sought not only to strengthen itself, but to weaken its fellows. It has assumed that the peace necessary to success and prosperity could be maintained only by increasing preparation for actual war, and by the constant conduct of commercial and financial war. Acting on this assumption has been expensive, wasteful, disastrous to human life and freedom. The League of Nations here proposed is a method of acting which has other assumptions. It pays due and close regard to the sovereignties of states, but also consciously acknowledges and seeks consciously the control, by all peoples for the good of all

peoples, of the economic powers that make states and peoples independent, and that have heretofore been used to exploit weak peoples and to weaken strong ones, the chief beneficiaries of this use of the wealth and power of nations being a few international financiers. The rivalries of these have conscripted and betrayed for their own ends the sentiment, the honor and the hopes of mankind. They have brought on the war we are now fighting, than which the world has never known a greater. Its necessities have divided mankind into two camps, and have forced upon each camp a cooperative organization of overwhelming significance for the future of mankind. The organization of the central powers is imperialistic. It rests upon the domination of German power and German leadership in the affairs of Austria, Turkey, and Bulgaria as well as of Germany. The organization of the Entente is democratic. It rested in the beginning upon the mutual concessions and compromises of the democratic powers, jealous of their respective sovereignties. The exigencies of war have been forcing the pooling of these sovereignties in the common enterprise. They have established unity of command on the battle-front and unity of operation behind, among the states. They have forced the substitution of cooperation for compromise and organization for concession. They have challenged and abolished in many respects the antiquated traditions of government. They have forced the internal reorganization of the state, in some places, as in America, heightening its power, in others, as in England, immensely opening the field of opportunity and freedom for the masses of men. Everywhere, among the powers of the Entente, they

have forced the challenge of, and in many they have shaken, tradition and privilege. The life and creative power of peoples have been enhanced.

The League of Nations here proposed is designed to make permanent and available for purposes of peace at least the international economic organization which the democratic powers have created for the purposes of the war. It is designed to democratize their control and operation and to make and to keep it responsible. It is designed to acknowledge and to express in the open forms of public international organization and democratic international control the already largely internationalized private control of basic raw materials and of finance. Oil, iron ore and other metals; rubber, wool, cotton, had before the war been privately, and are now publicly, controlled and distributed by international agreement. Money has long been under a private international control which is now under some public constraint, for the public good. The League of Nations is a device by which the public good shall continue to be so served, openly, freely, and under democratic conditions.

II. *All states shall be eligible to membership in the League of Nations on the following conditions: their voting power in the International Council of the League shall be determined on the following bases* — (1) *organization, political and economic;* (2) *resources, economic and military — actual, not potential;* (3) *democracy and responsibility of government;* (4) *literacy of the population;* (5) *size of the population.*

That states are not equal in wealth, power, organization and civilization has seemed to many the most

important reason for levelling them in the international organization. One state, one vote, it was agreed, is as imperative a rule for international democracy as one man, one vote, is for national democracy. Caste-voting among states is as dangerous to the small state as caste-voting in Prussia is to the working man. It would mean the permanent disfranchisement of the small or weak state. For a long time such negligible international organization as the Hague Conference achieved was held up by these considerations. The South American republics stood out for the principle one state, one vote, and as unanimity was a prerequisite for organization or action, they prevented anything from getting done. A sort of agreement was finally reached by which Austria-Hungary, the British Empire, France, Germany, Italy, Japan, Russia, the United States were on the Fabian scale to have 20 votes each; Spain was to have 12 votes; the Netherlands 9; Belgium, Denmark, Greece, Norway, Portugal, Sweden, China, Rumania, Turkey, 6; Argentine, Brazil, Chile, Mexico, 4; Switzerland, Bulgaria, Persia, 3; Colombia, Peru, Uruguay, Venezuela, Serbia, Siam, 2; and the other constituent states, 1 each. No reasonable basis for the apportionment is evident; such factors as prestige, fear, as well as the real factors of organization, resources, literacy, counted in it, and counted too much. If the Peace Conference determines upon a real League of Nations at all, it will also have to determine the relative weight of the states in the League. For this, the Hague precedent is inadequate and unsatisfactory and the one state, one vote notion is impossible. It rests upon a false analogy with the individual. An individual is an indivisible entity, an

organism. When he votes he votes himself as a whole. He cannot be altered or destroyed without being altered or destroyed as a whole. A state is only an organization. It can be changed in its own nature without any change in the nature of its citizens. Its vote must represent their variable diversity, not its unity; must represent, that is, what they have done with themselves and their resources and how freely they have done it. For that is what measures the potency of any state.

The operations of states in the present war are a very vivid exemplification of this fact. International organization has come into existence because of them, and its continuance after the war depends on them. At least the English-speaking peoples and the French are determined upon its continuance and those powers that choose not to participate in it are, of course, free in their choice, but they must not expect, either, to receive the economic and military advantages of participation. Those who do go in must be content to have their voting power determined upon a basis as unarbitrary as the facts permit. This basis, broadly speaking, must be a measure of the real power of a people to wage effective and victorious war. It does not lie in armaments, and it does not lie in population. China and Russia have population, Austria had armament; England and the United States were without. Yet from the very outset Austria has failed to wage effective war, while the United States and England have accomplished what seem to be miracles both in arming and in fighting, in astoundingly short time. Their miracles were due to their resources, their organization, and to the

unity of the *free* national will, that is, to the voluntary assent of the great bulk of their populations to the war, and to the consequently *free* cooperation of the citizenship in the military enterprise. Now for all these things there exist some definite, attainable measures, in the industrial and commercial records and political organization of states. These permit the ranging of states in an ordinal series, between maximum and minimum limits, on each of the points counted. Values exceeding or falling below these limits, which the Peace Conference should determine, should count for nothing.

Thus, it might be ruled that a state doing a business of ten billion dollars a year or over should have the maximum number of votes on the score of resources, and that states doing a business of only ten million dollars a year should have the minimum. And so with the other points. States falling below the minimum in all points might be excluded altogether from voting or allowed only one vote.

Suppose that we fix the maximum number of votes which a state might have, arbitrarily, at fifty. The state would then have fifty representatives in the International Council. It should have fifty representatives and not one representative casting fifty votes because there is the greater certainty so that the representation will be a representation of peoples and not of powers or governments, that minorities will be represented, and that other classifications than merely national ones will apply to the membership of the Council — classifications such as Radical and Conservative for example, or Tory and Socialist. Suppose then that the maximum number of representatives a state may

have is fifty. Suppose that the fifty were divided as follows: for actual, available resources (that is for industrial activity *in esse*) 20; for political and economic organization, 10; for free and responsible government, 10. The literacy of a population is an undoubted factor in the reality of the first three items, but no counterbalance to them. Let it be worth 5 representatives, and the remaining 5 be awarded for the brute force of the population itself. We might then get a tentative table of the voting power of the states on the basis of their industrial and political organization, their resources, their literacy, their population which the subjoined tables might remotely approximate.

	U. S.	British Empire	France	Germany	Italy	Japan
Organization	10	10	10	10	6	9
Resources ..	20	20	10	10	4	10
Democracy..	9	8	9	5	8	2
Literacy	2	2	5	5	1	0
Population .	5	5	3	4	2	2
Totals ...	46	45	36	34	21	23

	Russia	Austria-Hungary	Brazil	Argentine	Belgium	Switzerland	China
Organization	0	3	5	6	10	10	1
Resources ..	5	8	8	10	4	3	1
Democracy .	10	3	7	7	8	10	3
Literacy....	0	1	0	1	3	5	0
Population .	5	3	1	1	1	1	5
Totals....	20	18	21	25	26	29	12

The tables are not intended as an actual valuation of the various states they appraise. They are intended to show how the values of states with regard to each other could be determined. A state like Switzerland

has a negligible material power to make war. Its absolute value is certainly not more than half that of the United States, yet its place in an ordinal series might easily be halfway between the highest and the lowest. Its spiritual excellence — its democracy and its literacy and its organization, are brought, as in no other way, into play in the international organization. They help throw the balance of power in the direction of these imponderable factors. The whole arrangement would be such as to put a premium upon organization, democracy and literacy. A state's progress would be marked, up to a certain point at least, by the number of men that represented it in the International Council. Its moral decline would be similarly registered. No state could be preponderant merely because of its resources and its population. To give these weight in the family of nations each state would press in the direction of organization, democracy, and literacy. The international premium would be on these, and China would have a chance equally with England, Turkey with Germany, and Russia with the United States. A reapportionment every five or ten years would serve to show the progress made or the decline undergone. This reapportionment would naturally be made by experts under the rules and subject to the revision of the International Council. Publicity will keep the process from being manipulated to the advantage or disadvantage of any particular state.

III. PRINCIPLES OF THE LEAGUE OF NATIONS DEFINING INTERNATIONAL RELATIONS

(a) *States constituting the League of Nations agree to secure to all inhabitants of their respective territories,*

their civil, religious and cultural rights, regardless of race, creed, or nationality.

(b) *States constituting the League of Nations agree to form no alliance with each other nor with any state or states outside the League, without the consent of the International Council of the League of Nations.*

(c) *No state, a member of the League of Nations, shall do anything to impair the security or the political or economic freedom of any other state or people in the League of Nations.*

(d) *All states and peoples in the League shall have equal rights before the law of nations.*

(e) *International law shall be the law of the land in all matters affecting international relations. Contrary legislation by constituent states shall be null and void.*

(f) *All treaties, etc., contrary to these principles shall be null and void.*

(g) *Any constituent state may withdraw from the League of Nations if withdrawal is voted by two thirds of the voters in the state. The ballot for withdrawal shall be supervised by an election commission of the League appointed for that purpose.*

The seven propositions set forth under this head are designed to protect that type of right, quarrels about which have not infrequently developed into wars. Affirmatively they are designed to secure the religious and cultural liberty of individuals and of groups, equality of economic opportunity for all states and peoples, and freedom for lawful changes in the relations between states and between groups within states.

The first clause is designed to obviate the procedure and precedent established by Lord Palmerston when he declared that the British government would protect

the lives and property of British subjects all the world over, absolutely. He acted on this declaration for the first time when a Portuguese Jew who had become a British subject made a claim against the Greek government, for the satisfaction of which, the Greeks having failed to come to terms, he appealed to his home government. Palmerston immediately dispatched ships to Greece, and thereby began a policy of which the fruits were the English bombardment of Alexandria, the French of Casablanca, the international intervention in China during the Boxer rebellion, the American intervention in Mexico, and so on. Once it is clear that an aggrieved person may, on whatever count, appeal to international law, either in his own person or through his government, difficulties of this order, and of the order of religious or racial persecution such as were frequent in Russia and Rumania, begin automatically to disappear, and in any event, their consequences are rendered impossible.

The second and third clauses belong together. Their intention is, to prevent the danger to the unity of the League which might obviously come from machinations of members of the League against each other or from secret alliances of powers within the League. Diplomatic history is full of examples of the international upheavals arising from such a situation — the most conspicuous just now being the relation of Italy to both the Entente and the Triple Alliance and the relation of Bulgaria to the Balkan League and the Central powers. Unity is an indispensable condition for the success of the League of Nations and its imperativeness must be written into basic law. Once written into basic law, a preventive influence against

such action comes into operation, and there is an opportunity for legal redress before military measures need be taken.

The next three clauses have the same essential purpose — to establish the paramountcy of the law of the League in international relations and to guarantee, with all the power of the League, justice to each and all of its members. At the Hague tribunal and conferences the distrust of large nations by small ones has had much to do with the failure of the Hague enterprise to develop into anything effective. International law must be the same law for both large and small states, as national law is the same for rich men and poor, and the more completely this law has behind it the economic and military power of all the states in the League, the surer it is to be the same for each. To secure this end, the law of nations which is created by an international council must have complete priority over all earlier treaties, rules and practices and its mere existence must nullify any other rule or agreement affecting international relations. The more this is so, the more certainly it becomes the interest of each state to defend international law against infraction. The law becomes automatically self-enforcing, securing to states the real benefits of both sovereignty and independence.

Ideals of sovereignty are peculiarly intimate and persistent. Their strongest advocates are invariably members of the propertied classes, and sovereignty is only the political aspect of the assumed inviolability of private property. It looks back to the time when a state was merely an estate and belonged to a landlord, a sovereign. When the individual lord lost his sovereignty to a class or to a whole people, its rights

and privileges passed over with it, and the idea of the sacrosanctity of the territory and affairs of a "sovereign" nation became an underlying postulate of international relations, effective at least as between strong states. Prior to the industrial revolution the postulate was workable because the simple economy of life without machinery made the self-sufficiency of a state an easy and actual thing. The industrial revolution destroyed this self-sufficiency. It created economic interdependence. It did not, however, at the same time alter political relations. Those remained unchanged. The consequence was a growing strain between the political forms of states and the activities and enterprises of their citizens. The machinery of government had perforce to become accessory to the operations of commerce if the old notion of sovereignty was to remain workable, or the state to retain its old forms and ideals. That is, states had to seek economic "self-sufficiency." And self-sufficiency is an ideal which the war has thrown openly into the foreground of the political ideals of reactionaries. Actually, economic self-sufficiency means nothing more or less than financial imperialism. For a state can in modern times be sovereign and self-sufficient only at the expense of the sovereignty and self-sufficiency of other states. It must dominate and rule them, must be able to use their properties and citizens for its own purposes. This is the inevitable implication of the economic interdependence of the industrial world. It underlies the chance-built empire of England and the expansion of France. Germany, reading the results of historic chance as conscious purpose, set herself such an empire as a goal, with the results that

we know. The economic interdependence of the world is compelling a change of political organization, for political organization registers economic forces. These press irresistibly toward some kind of political unification of the world. The tradition of sovereignty and the shibboleths of the past demand empire, for in empire alone can the self-sufficiency necessary to sovereignty be made actual. The alternative to empire, and the sole alternative, is the League of Nations in which sovereignty can be retained by a voluntary agreement as to its limitations, and the very economic insufficiency of each state be made a guarantee of the freedom of its neighbors from aggression at its hands.

Yet even the League of Nations carries with it a certain menace of oppression — the oppression of minorities within states and the oppression of states within the League. This menace is an absolute fact. The only way to escape it is the way of anarchy, and the upshot of anarchy is always tyranny. What can be done is to provide checks upon it, to compel it to work in the open, and to formulate a rule under which it can be met. Minorities are protected by the first rule, and the League of Nations becomes by it a guarantor of their security. All the others protect states against each other, severally. They cannot of course be protected against the total collective will of their fellows, as there is no appeal from that total collective will except to battle. All that can be done is to provide for the unwilling state an opportunity to withdraw from the League if it so desires. The last clause does that. Such a withdrawal is at the same time a withdrawal from the family of nations and

renders necessary a high degree of popular assent to it, whence the proviso that it shall require two thirds of the voters of the state to sanction it.

There remains the problem of the insurgent. The powers of any effective League of Nations must unavoidably be such that insurgency in any state might easily develop into an infringement on them. President Cleveland's action during the Homestead strikes is an instance of the complications that might arise; nor would it be possible for the League to avoid them by a declaration of neutrality or other modes of procedure. The "right of revolt," or, as Locke calls it, "the appeal to Heaven," is always a last resort against oppression which men ought not to be asked to surrender and should not surrender if they were asked. The League of Nations can only designate lawful ways by which the ends sought by revolution might be attempted, and these only in the declaration of just the principles assuring the rights of minorities, securing states from unwarranted interference by their neighbors or by the League. Under these declarations the Irish might, for example, enter suit in the International Court against England, the Poles against Austria or Germany, the Jews against Rumania, with some hope of justice. They would of course have to submit to the decisions of the Court or of the Council, but that is likely to be at least as fair as the decision of war, and gives to minorities, at any rate, a considerably greater chance that the decision will be in their favor.

IV. THE ORGANIZATION OF THE LEAGUE OF NATIONS

A. The International Council.

1. *The supreme organ of the League of Nations shall be an International Council.*

2. *Each constituent state of the League shall be entitled to as many* REPRESENTATIVES *in the council as it has votes, one representative counting for one vote.*

3. (a) *National representatives to the International Council shall be* ELECTED *by* POPULAR VOTE, *on the basis of proportional representation, from twice the number of candidates to be elected.*

(b) *The candidates to be elected shall be* NOMINATED *on two thirds vote of the* POPULAR BRANCH OF THE LEGISLATURE *of each constituent state.*

(c) *Elections shall be conducted by the respective states, except where conditions of fairness and justice may make it necessary to put them under the supervision of an International Elections Commission.*

(d) *Representatives shall serve for a term of three years.*

4. (a) *The International Council or its agents shall be endowed with whatever powers are necessary to carry out the aims of the League, subject only to the following limitations:*

i. *It shall pass no general law limiting the political independence, the territorial integrity, or equality of economic opportunity of any member of the League.*

ii. *It shall pass no general law in any way limiting the cultural, religious, economic or civil freedom of racial minorities within the constituent states of the League.*

iii. *International legislation may be initiated by the vote of a majority of the popular legislature of any state.*

iv. *International referendum to such state legislatures or to the peoples of such states may be ordered by one third the voting power in the International Council.*

(b) i. *The International Council or its duly delegated representatives alone shall have power to wage war, to permit war to be waged or to punish international offenders by various degrees of non-intercourse, excommunication or interdict such as embargoes, the prohibition of loans, of the payment of debts, of trading in securities, of communications, of imports or exports or both, of harborage, etc.*

ii. *The International Council shall have power to require the constituent states of the League of Nations to furnish the military and naval complements to enforce its decrees, if necessary.*

The first problem which presents itself in providing for an International Council is the old one as to whether it is to be chosen by governments or by peoples. For those who believe in democracy there is no choice. Bureaucratism is a constant menace even of democratic states, and is imminent in America; and the ease with which even responsible governments may be turned into instruments of oppression admits of no alternative to election by peoples. It is certain that the traditional way of choosing men to handle international affairs has brought the world no good, and it is equally certain that no harm can come to it from trying the other way. The only objection that can be offered to the other way is that it complicates the problems of the

citizen, that it multiplies elections, that it is slow and clumsy. But surely international affairs are not more important than the national ones which are the average citizen's prime concern, and if the average citizen is competent to elect the personnel of his national government he is also competent to elect the personnel of his international government. It is true that he does not now know so much about international affairs as about home matters. That, however, is not his fault. Foreign affairs were intentionally kept out of the field of his attention by secret diplomacy, which made up his mind for him on these matters. By the time they were permitted to come to his attention it was too late; his life and his goods had been pledged, to insure this financial enterprise or that, to fight this war or that, for this or that apparent cause. What alone can be an effective "democratic control of foreign affairs" is the democratic control of the managers of foreign affairs. Candidates for membership in the International Council will have to stand upon some definite platform or other. They will have to define policies and persuade voters. International issues will thus get thorough airing and become the direct and the living concern of the average voter, at least during election time. At the very worst, they will not get a less thorough discussion than national issues. Certainly, the delegates of the constituent states to the International Council must be elected, and if possible on the basis of proportional representation. Their nomination is another matter. The possibility of a free-for-all nomination involves too many complications; so does a primary, and the use of nominating conventions would involve an unnecessary addition

to the strength of "interests." On the other hand, the popular body of national legislatures would serve very well as a nominating committee. It would be in closer touch with the details of international problems, and the proviso that nominations should require two thirds votes would insure the naming of candidates of more than one party or opinion. Nominations also might be made on the principle of proportional voting. The term of service has been set at three years in order that the public mind might be brought to a direct concern with international affairs at not too infrequent intervals. Perhaps the wisest proceeding would be to have the total number of delegates any state may send divided into groups serving one, two, and three years, and thereafter to hold annual elections of delegates to serve three years. In this way both responsibility of public opinion and continuity of administration will be secured, with no too long ballot even for a state electing the maximum number of candidates.

Two additional observations regarding the provisions for the nomination and election of delegates to the International Council are pertinent:

First: There is no interference with the "internal affairs" of any country. Such interference is likely to be a very sore point with a defeated Germany and an insurmountable obstacle with a stalemated Germany. Any state entering the League may keep or choose for the management of its internal affairs any government it pleases. Unless such a government does things that come under the jurisdiction of international agencies, the international organization has neither right nor claim to interfere with it. When the matter in issue is, however, the choice of international officers, the

international organization may make what rules it deems fitting and necessary, so long as they apply equally and absolutely to all its constituent states.

Second: This situation does not, however, prevent the influence of the naming and choosing of international councilmen from pressing in each state in the direction of democracy. In Germany, for example, it would be the Reichstag which would nominate the Councilmen and *all* the people who would elect them. So also in Austria; so in other countries with limited suffrage and irresponsible government. The democratic difference in favor of the international organization would on the one hand tend to make it the representative of peoples as against governments and so strengthen its chances for survival, while on the other, governments would have to become responsible and suffrage universal in order to meet the competition of the international organization for popular allegiance.

As for the powers of the Council — they are necessarily determined by its purpose, and specification of them would lead only to trouble-making legalisms, and perhaps serve to defeat the very ends for which the League is created. It is much simpler to fix limits which the League of Nations and its instruments may not pass, and these limits are the obvious ones set by the demands for the security and freedom of states and of minorities within those states. The dangers of oppression are further offset by providing that the popular branches of the legislatures of constituent states may initiate legislation in the International Council, and that a referendum either to these legislatures or the peoples they represent may be called by one third of the voters in the International

Council. Under these conditions no act of the International Council can properly become usurpation, and the one power which is assigned to it exclusively, the power of waging economic or military war or both, and to require the constituent states to serve in such war, is purged as far as is humanly possible, of what menace it may carry toward the integrity and freedom of states without at the same time being deprived of the essentials of power. Altogether, the International Council herein provided for will prove the simplest of instruments compatible with democratic control, with responsiveness to public opinion and with administrative responsibility.

B. The International Commissions.

To carry out common international enterprises, to effect security, freedom and equality of economic and cultural opportunity among the states of the League and their peoples, to safeguard the rights and freedom of weak or undeveloped nations and races, the International Council shall delegate its powers to the following International Commissions.

(a) *The International Commission on Armaments*

(b) *The Commission on International Commerce* with the following *sub-commissions* on —

1. *Raw Materials*
2. *Food*
3. *Waterways*
4. *Highways*
5. *Airways*
6. *Communications*
   (a) *post;* (b) *cables*
   (c) *telephones*
   (d) *wireless*
7. *Shipping*

(c) *The International Commission on Central Africa*

(d) *The Commission on International Finance* with *two sub-commissions* on —

1. *The International Stabilization of Credit*
2. *Political Loans and Investments*

(e) *The Commission on Undeveloped Countries*

(f) *The Commission on International Education*

(g) *The Commission on International Hygiene*

(h) *The International Commission on Labor*

2. (a) *The members of these commissions ,shall be elected by the International Council from twice the number nominated by the popular branch of the Legislature in each constituent state, the number from any state to be determined by the International Council in the same way as the voting power of the state in the International Council:*

(b) *International Commissioners shall serve for a term of four years.*

3. (a) *Appeals may be taken from the decisions of the International Commissions first to the International Court, and thence to the International Council.*

(b) *The matters subject to appeal shall be defined by the Council.*

The problems of positive administration which a League of Nations must face are primarily those of *prevention*, not of cure. A court can only settle disputes after they have arisen, and so long as the old conditions of international rivalry continue, disputes must go on and wars sooner or later break out. It is not proposed here to abolish international rivalry; competition is the root of excellence as well as the life of trade. But it is proposed to provide for this rivalry a "new freedom" by abolishing the *unfair conditions* under which it has operated and substituting for those, conditions of

equal opportunity in the field of international economic endeavor.

The *International Commissions* are the instruments proposed for this purpose. They have their sanction in custom and their precedents in history. The Danube Commission, the different joint commissions from time to time appointed by various powers to perform a piece of international work, the Postals and Telegraph Unions, all afford precedents. And the record of these commissions, together with the record of such bodies as the American Interstate Commerce Commission, is a proof of their efficiency and promise. Commissions are the simplest and most readily available form of administrative organization at hand. Their creation involves the least disturbance of existing conditions which solving the international problems leaves possible. These problems, in their war-breeding aspects, are of four types:

1. The commercial problem, — with its conflicts for the monopoly of raw materials, markets, fields of investment, possession of trade routes, and communications.

2. The financial problem — which is prior and related; first, because the commercial problem arises largely from the hunger of surplus capital for foreign investment; and second, because unfair economic competition causes irregularity and fluctuation in the money markets and inflates and deflates the value of money without regard to its efficacious physical basis or the securities which represent this basis.

3. The problem of undeveloped territories, backward countries, all subject to the exploitation of capital by means of loans, concessions, etc. and the

rivalry over securing the same by monopolizing areas as spheres of influence, protectorates and colonies. Cases are, — the conflict of the French and English interests over the Sudan and Egypt, of French and German interests over Morocco, of German and English interests over the Bagdad Railway, of English and Russian interests over Persia.

4. The problem of armament — itself a direct derivative of these prior problems, for competitive armings did not begin until financial imperialism made it seem desirable.

The International Commissions — on Commerce, Finance, Central Africa, Undeveloped countries, and Armament — are designed, by appropriate regulation and control maintaining equality of economic opportunity under the legislation of the International Council, to prevent the recurrence and development of war-breeding competition. In addition, three other commissions seem advisable; one on international hygiene and one on international education and one on the international aspects of labor.

For the nomination of the membership of these commissions, it seems wisest again to throw all the power as near the rank and file of mankind as practicable. This is obviously the popular branch of the legislature of each constituent state, while an international check is provided against too much nationalism by putting the election in the hands of the International Council, whose interest it will be to make sure that the Commissioners are such as can carry out the spirit as well as the letter of the international law. Subject to this dual responsibility, no commissioner can go far wrong. If at the same time he knows that at the end

of his stewardship he will be called upon to give a formal accounting of his entire record which has, in the interim, been open to public inspection anyhow, the safeguard against usurpation is as complete as possible. The limitation of service, again, to a term of years is certain to prevent any serious abuse of power.

As to the number of men on the different commissions and the representation on them of various states, it is clear that, wherever possible, the people most directly concerned should be represented by at least one commissioner. A sub-commission on Persia, for example, should number among its members a Persian representative. Whether it should number also representatives of England and Russia is much more uncertain. The Danube Commission undoubtedly worked so well because the riparian powers most likely to come to no useful agreement over the problems the commission was created to solve were not represented on it. Because they were not represented the commission was enabled to work out a highly effective constructive policy, better on the whole and in the long run for all the riparian powers concerned and for the continent of Europe. The question is a delicate and difficult one. However, the principle that stands out most clearly is this — that no matter how a sub-commission on Persia may be constituted, its business must be to administer first of all in the interests of the men and women and children of Persia and not of anything or anybody else. In so far as it does so and only so, it administers in the interest of the peace of the world. On the whole it would seem that in the appointment of a good many of the commissioners, the representation

of States is of far less importance than the fitness of individuals: Mr. Morgan Shuster represented no interested state in Persia. The procedure, then, in the establishment particularly of such commissions as those on Central Africa, on undeveloped countries, and so on, might well be one in which the Council fixes the number of the commissioners and invites the popular legislatures of certain states to name twice the number of candidates to be chosen from each state. The Council then chooses the set number of candidates from the nominees submitted by the legislatures. The members of all the other commissions would be nominated and elected on the same basis of representation as the members of the International Council. Thus, if the International Commerce Commission were to be composed of fifty members, the United States, the British Empire, Germany, France and Japan might be represented by ten to six each, and the other states in due proportion, according to their status between the upper and lower limits of eligibility to membership in the League of Nations. Certain states might not be represented at all. So long, however, as the Commissions were responsible to the International Council the separate interests of these states, in so far as they had any, would be sufficiently safeguarded.

THE INTERNATIONAL COMMERCE COMMISSION

When the war began England was mistress of the seas. Because of her enormous navy, her possession of Gibraltar and Suez, and of innumerable islands of the sea, she was in control of the world's highways and consequently of the world's commerce. This control Germany regarded as unfair and predatory, and her

naval program was intended at least to divide it with England, if not to wrest it from her. She kept demanding the "freedom of the seas," which meant, in effect, the freedom to disregard the English navy. This navy, on the whole, has been the maritime policeman of the world. But, of course, its first duty and its last duty was to safeguard English colonies and English shipping. The carrier trade of the world was largely England's, and so far forth the prosperity of trading countries was in her hands. How completely this was the case became apparent when she entered the war. Her blockade of Germany cut that country off from all kinds of raw materials indispensable to the conduct of war and interfered with the shipping of neutral countries to a degree without parallel in recent history in its range and illegality. Her navy enabled her to violate international law at every point she found it necessary or desirable to do so. It enabled her to dislocate seriously the trade of Holland, of the Scandinavian countries and of the United States. She compelled the shippers of these countries to operate under her licenses. She decided what they should ship and what they should not ship. Had her cause not been righteous and carried with it the full sympathy of the people of the United States, war between her and America could hardly have been avoided. American tolerance of England was in fact measurable by the frightfulness of Germany. A decent Germany would have meant a far more sharply challenged England. The brutality of Germany however meant only a series of somewhat more than formal American protests against England, for the sake of the record. The German use of the submarine did not help the German case at all; it

only helped to make English violating of international law seem child's play and to speed the United States into the war.

From the point of view of the future of the world, however, the submarine's most serious consequence was its effect on the economic organization of England and her allies. It did genuinely cut into English and neutral shipping. It did effectively cut off England from much in the wide world on which England depended. It compelled England to eliminate lost motion in her economic operations and to reorganize for victory in the very heart of her tradition-ridden institutions as well as on the periphery. Take, for example, the wool and worsted industries. In those industries the English made a very significant experiment in control.

"The control applies to both these industries, for they are both concerned with the requirements of the army, and they are, of course, very intimately associated. Roughly speaking, worsted differs from woollen in its raw material and in the preparation that material undergoes. The worsted mill uses long wools ranging in length up to 14 or even 17 inches; the woollen mill uses short wools, the fibres of which vary from $\frac{1}{4}$ inch to $2\frac{1}{2}$ inches. The wool used by a worsted weaver has been combed before it is spun. Combing is the process by which the long wool called the 'tops' is separated from the short, the 'noils.' The wool used by a woollen weaver is carded — that is, whereas in combing the fibres are made to lie straight and parallel, in carding they are made to overlap one another. Worsted fabrics are generally lighter and finer than woollen. They are made, for example, into men's dress suits,

and into certain serges. Woollens are used for fine broadcloths, winter overcoats and tweeds. The worsted industry is strongest in Bradford, Huddersfield and Halifax; the woollen in Leeds and the neighbouring districts, in the West of England and in Scotland.

"It is characteristic of the woollen and worsted industries that the family type of business is prevalent, and the normal mill is comparatively small. There are rather under three hundred thousand persons engaged in the industry, and the average number of work people in a woollen mill is 100; in a worsted mill 200. Cotton is much more highly organized from every point of view. As Dr. J. H. Clapham points out in his admirable book on 'The Woollen and Worsted Industries,' 'It is never possible to gauge the general prosperity of worsted spinning by comparing the balance-sheets and dividends of scores of limited mills, whereas this is regularly done in the case of Lancashire cotton spinning.' Organization among employers has developed more slowly in wool than in cotton, and trade unionism at the outbreak of war, outside a few craft unions, was lamentably weak. This general contrast was partly due to history. The factory system swallowed up the cotton industry much earlier than the woollen. Dr. Clapham tells us that even so lately as forty years ago, handloom weavers were an important body of men in the small towns and villages round Leeds, Huddersfield and Dewsbury.

"One other general fact about the industry must be grasped if we are to appreciate the task that the Government undertook when it set to work on this scheme of control. The worsted industry is very highly special-

ized. The wool merchant buys wool, blends and sorts it. He then sends it to a wool-comber who combs it into tops. The tops are sold to a spinner, who spins them into yarn and sells his yarn to the manufacturer. The yarn is then woven into pieces, in which form the cloth is sent to the dyer. In the woollen industry there is rather less specialization, for carding, spinning, and weaving are generally carried on in the same mill. It is clear from this account that the industry is highly complicated with a number of different interests, and that the problem of organizing and controlling it presents special difficulties.

"The necessity for control of some kind became evident in the early part of 1916, when the Government realized that unless some check was put upon prices, the cost of clothing the army would be ruinous. In the old days the army got what it needed by competitive tender, but the conditions were now quite abnormal. The needs of the army in khaki, flannel and blankets were on a stupendous scale, and the export trade was stimulated by the immense requirements of our Allies. The War Office Contracts Department, accordingly, determined to organize production for its own needs, taking power by an Order in Council under the Defence of the Realm Regulations, to requisition the output of any factory on terms based on the cost of production plus a reasonable profit. They arrived at this figure by examining the books of different firms, and calling on manufacturers to supply detailed information as to their output, their cost of production, and the profits they had earned. Hence at the outset an important principle was introduced, for the different sections of the trade affected were

called on to nominate representative committees, and the 'conversion costs' — that is, the scale of payment prescribed for a particular operation, based on the cost of that operation — was agreed with these committees. That is, an industry in which organization was at the time in a most elementary condition was obliged to choose representatives and to take a wider view of its interests in order to secure a proper hearing from a Government Department.

"So far the Government had merely arranged to get a certain amount of work done by the manufacturers at a reasonable rate. This volume of work was a great and increasing proportion of the trade as a whole, for it soon came to include not merely the requirements of the Governments of our army, but all the requirements of the Governments of our Allies as well. But before long it became clear that the control was too limited, for the price of raw wool was advancing at an alarming rate, and this rise of price was a warning that the supply of wool was not equal to the world's demands. In 1915 there was a serious shrinkage in the production of wool in Austria, where drought had reduced the sheep flocks from 82 millions to 69 millions, and also in South America, where cattle raising and wheat growing were developing into powerful rivals. Meanwhile, America had removed her import duties on wool and her consumption was increasing. The War Office Contracts Department realized that as a measure of national safety it was essential to secure the raw material that was needed for our consumption and the consumption of our Allies. Accordingly, the Government decided in May, 1916, to buy the Home Clip. They divided the coun-

try into districts, appointed experienced wool buyers as officials to superintend the transaction, and for the detailed purchase they employed wool merchants working on commission. The prices were roughly 35 per cent above the prices ruling in July, 1914. A still more important step was taken in the autumn, when the Government decided to buy the whole of the Australasian Clips. In this case the arrangements were made with the Colonial Governments, who acted as the Government's agents. Two-fifths of the wool is cross-bred, the best for military purposes, and the rest merino.

"These transactions entirely altered the Government's relations to the trade, for they put the supplies of the trade in the hands of the Government. The Home Clip accounted for a ninth part of the consumption in 1915; the Australian Clips represent half the world's exportable resources. The Government had, therefore, to arrange for distribution to the industry, and to provide not merely the wool that was needed for Government cloth, but the wool that was going to be passed on to the civilian trade. It is obvious that this responsibility introduced all kinds of delicate questions. For one thing, there was the question of distribution. The wool that the Government did not require was to be sold, but if the supply was less than the demand, on what principles was it to be assigned? At the time, the state of the foreign exchanges gave a special importance to the export trade, and priority was accordingly given to the needs of that trade. But the Government had to consider, not merely the distribution, but the economy of supplies, complicated as it was by the general difficulty of tonnage. The

nation had to be made secure against the risk of a failure of supplies and for this purpose it was necessary to regulate the consumption of wool by the trade. Here were two problems full of material for dispute.

"The Government took measures to facilitate the execution of its task. A Department was set up in Bradford, men of experience and standing in the trade were enlisted as Government officials, a Wool Advisory Committee was formed representing different sections of the industry, and trade unions, as well as employers' associations. But the early proceedings of the Department provoked resentment and suspicion in the trade, and the columns of the *Yorkshire Observer* and the *Yorkshire Post* during the summer months reflect the agitations and the discontents of the industry. There is no part of the country where bureaucratic control is regarded with greater dislike, and so far the scheme was in its essence bureaucratic. The hard-headed Yorkshireman is the last man in the world to accept dictation from an official. Mr. H. W. Forster, the Financial Secretary to the War Office, visited Bradford, and addressed critical and even hostile meetings. Deputations went up from Bradford to London. It looked as if the trade were irreconcilable, and the prospects of any effective co-operation seemed almost desperate. The situation was saved by the offer of the Department to set up a Board of Control, and thereby enable the industry itself to regulate the working of the scheme, subject only to the satisfaction of the essential requirements of the Government. The Board was formed in September, and its powers were defined by an Order of the Army Council the same month.

"The Board consists of thirty-three members, of whom eleven are Government officials, many of them manufacturers or merchants in the present or the past. Thus, Sir Charles Sykes, the Controller, who is the chairman of the Board, and a very successful chairman, has been closely associated with the industry, and he speaks with an intimate knowledge and experience of its circumstances and needs. Most of the eleven official members are in the same case. Eleven again represent spinners and manufacturers. Three are chosen by the West Riding Spinners' Federation, three by the Woollen and Worsted Trades Federation, and one each by the Scottish Manufacturers, the West of England Manufacturers Association, the Hosiery Manufacturers, the Low Wool Users (i.e. men who make blankets, etc.) and the Shoddy and Mungo Manufacturers' Association. Lastly, the Trade Unions have eleven members representing the several craft unions and the General Union of Textile Workers.

"The setting up of the Board is an immense event in an industry where individualist tradition is so persistent. The different groups of interests have been compelled to co-operate, and to recognize that the industry as a whole has interests and responsibilities. And the work of the Board is of the most important and delicate kind. The War Office reserves to itself certain powers. It decides the amount of raw material to be maintained for military purposes; it settles the terms and conditions of Government contracts; keeps in its own hands all financial arrangements and carries out all the earlier processes such as the cleaning, blending, and combing of the raw wool. It is not until the wool has reached the topmaking

stage, subject to the above reservations, that the control of the Board begins. At that stage it is the duty of the Board to regulate all allocation of wool, tops, and other products, and by-products, in such manner as: —

(*a*) To secure the most efficient execution of Government orders for supplies of woollen and worsted goods.

(*b*) To employ to the greatest advantage the labour, machinery and skill now engaged in the industry.

(*c*) To keep in full use the greatest possible proportion of the machinery at present employed in the trade.

"Its actual duties differ in the case of wool destined for military requirements, and of wool destined for the civilian trade. Contracts for the execution of Government orders are allocated by a Committee; the spinners and manufacturers are paid on the basis of conversion costs, and there is no element of speculative profit. It is laid down in the Order of the Army Council that the officials of the Department shall obtain the advice and concurrence of the Board in so far as is necessary to secure the most efficient and equable distribution as between districts, trades, groups, and individual firms, and to secure all possible regularity and continuity in production. Thus, the responsibility for organizing the execution of Government contracts in such a way as to promote the interests of efficiency, equity and continuous employment is thrown upon the Board.

"In the case of wool for the civilian trade the Board has full and direct responsibility for the distribution

of supplies. 'The Board is empowered to allocate as between districts, trades, groups, and individual firms the quantity of wool and tops available for civilian trade.' The Board discharges this duty by setting up a number of rationing committees chosen by the spinners and manufacturers, in some cases with Trade Union members, with a Joint Rationing Committee in control, on which the several district Committees and the trade unions are represented. These Committees ascertain the main facts about the needs and capacity of the different mills and the different districts, and the wool at the disposal of the Board is distributed in proportion. Such a task can only be carried out by the representatives of the industry; for no Government Department can command the confidence of the men who have to make the sacrifices necessary in the interests of justice and of public safety.

"The industry thus takes into its own hands a function which at first the Government itself attempted to discharge; a function that in other times has been left to the play of economic forces, with results that have brought ruin and unemployment in many districts and thousands of homes. Instead of a scramble in which some men might make fortunes and others pass into the bankruptcy court, with workpeople here working overtime and there walking the streets in hunger and misery, we have an industry regulating its fortunes with a view to the common good. It is recognized that there is something better than economic law as the arbiter of men's fate. The conscious efforts of a set of men to adapt themselves to a crisis in such a way as to check its disturbing consequences mark a step of the first importance in the reconstruction of

industry on humane lines. It is difficult to calculate the amount of pain, degradation and lasting mischief that would have been averted if there had been such a system in force a hundred years ago.

"Nor does this exhaust the duties of the Board. A most important clause in the Order directs them to take all possible measures to protect the interest of the home consumer, and to secure equable treatment as between various branches of the industry. The industry comprises different sections that are often in conflict: merchants, spinners, manufacturers. The merchant may be in a position to exploit the spinner; the spinner to exploit the manufacturer. The Board presides like Olympus over all these interests, and forces them to accept a new moral discipline in place of the old economic struggle. Its very existence has a significance that can scarcely be exaggerated.

"Meanwhile, the consumer is not forgotten. 'All possible measures are to be taken to protect him.' And it speaks well for the vigour and the resolution of the Board that within a few weeks of its creation Sir Charles Sykes can announce to the Press that a scheme is shortly to be produced for checking profiteering in the civilian trade, and for providing a standard cloth at a fixed price. This does not mean that we shall all have to wear clothes of the same colour and pattern if we want to escape the high charges of our tailor. What it means is that manufacturers will be invited to make a certain quality and size of cloth, for which they will receive payment on the basis of conversion costs just as if they were making khaki. The pattern and the colour will vary from one manufacturer to another. In this way the home consumer will be able

to buy clothes of a guaranteed quality at a reasonable price.

"As a scheme for carrying the nation through a crisis the Board of Control is a most interesting and happy experiment. But it is infinitely more than this. It presents a spectacle of a self-governing industry acquiring a new corporate spirit, a larger appreciation of the rights and duties of the industry as a whole, a new sense of the danger of uncontrolled economic forces, and a new consciousness of the place and share to which the workpeople are entitled in the government of the industrial world." [1]

In a similar way the necessities of operation on sea and on land compelled England into a progressively more intimate cooperation with her allies — particularly in the matters of food, other raw materials and shipping. A *de facto* centralized control of all these matters emerged slowly from the confusion of interests and purposes and a *de facto* free trade under control conditions became speedily apparent.

How much the influence of the United States counted in this unification cannot be estimated. That it was the determining element was conceded on all sides. The United States, both profiting by the experience of the Allies and following her own traditions, passed very swiftly through the stages of disorder to efficiency of organization, and she so passed along the line of her own national traditions. When she entered the war competition between the Allies was the rule. Profiteering at the expense of the Allies was the rule. Dependent on us for food, textiles, munitions, they were bidding against each other in order to effect their

[1] Jason: Past and Future, pp. 126–139.

common purpose. When the United States took a partnership in this purpose this competitive iniquity could not be tolerated. No discrimination between customers could be permissible. All the democratic powers had to get the same treatment in order to meet the same needs. Achieving this required first of all a pretty adequate knowledge of existing resources; secondly, an organization to concentrate them, to make them available, to increase them or to find substitutes for such as are unavailable or insufficient; thirdly, an organization to distribute them according to the greatest need, and with a view of securing the maximum of team play and well-being among the Allies.

At first was constituted the Council of National Defense with its advisory commissions. This was succeeded by a general Munitions Board with committees in charge of the various operations but with divided authority, and consequently the bidding against each other of governmental departments and the resulting graft and profiteering. The only completely effective step in organization during this interim was the creation, under the secretary of the Treasury, and by Interallied agreement, of the Allied Purchasing Commission, consisting of three members of the first War Industries Board.

This Board split on problems of price control as against *laissez-faire*, the health of its members went to pieces, and Congress began to agitate for a ministry of munitions or a war cabinet. The President, mindful of the work of the Interstate Commerce Commission, insisted however on a body with flexible powers. This body was created by the Overman Bill, which provided for a War Industries Board so organized as

to employ the best results of American and European experience.

Its functions, broadly speaking, are to attain the following necessary ends:

1. To survey and locate all existing resources.

2. To concentrate them, increase them, render them available and to find or make substitutes for such as are unavailable or insufficient.

3. To coordinate the various national and departmental needs.

4. By licensing transportation to distribute materials according to these needs on a priority basis.

5. To make impossible discrimination and profiteering by *fixing prices* and maintaining a *blacklist* on which are listed all violators of the war rules of production or distribution. This was rendered effective by requiring a full record and publication of accounts.

Thus the War Industries Board makes sure that none of the three types of customer whose needs it must regard is discriminated against because of the others. Prices are *the same* for the departments of the government, for our associates, for the civil population. Raw material is distributed not according to the purchasing power of the manufacturer but according to the importance of his product in the life and labor of the nation. Equality of economic opportunity is thus established and maintained. The Food Administration and other similar agencies operate in a like manner.

To achieve its ends the Board is organized as follows:

1. *The Requirements Division.* This division is composed of 25 men representing all the needful groups

in war work. They meet daily, to consider statements of needs and resources.

2. *The Distribution Division*, designed (a) to give tools bivalent uses and (b) to establish the maximum effective division of labor — regarding nearness to raw materials, motive power, etc. — over the various regions of the country.

3. *The Priorities Committee*, with the function of checking up demands and determining priority. Appeal from its decisions may be taken to the chairman of the War Industries Board.

4. *The Bureau of Labor*, intended to supply man power and horsepower to war plants.

There are also other ramifications, not relevant to the question in hand.

The operations of the War Industries Board are coordinated with those of the *Fuel* and *Food Administrations*, of the *War Trade Board* and of the *Allied Purchasing Commission.*

To whom coal shall go first is determined by the judgment of the War Industries Board. Its need for raw materials fixes the apportionment of food to neutrals and the limitation of imports and exports to save tonnage. Its dealings with the Allied Purchasing Commission determines the economic relations between America and the Allies.

Now these Boards and Commissions together constitute what is practically an International Commerce Commission. Under war conditions, of course, the belligerents have an absolute priority, but even then, neutrals in possession of raw materials have to be regarded and their needs met, as the following news item shows:

"WASHINGTON, *August* 15 (by A. P.)

"Forty Dutch ships, totalling approximately 100,000 tons, now idle in Dutch East Indian ports, are expected to be released to bring sugar, tin, quinine, and other commodities to the United States as a result of an informal modus vivendi effected by the War Trade Board through Chargé d'Affaires de Beaufort, of the Dutch legation.

"Tonnage placed at the disposal of the American Government through the agreement will be sufficient, it was estimated to-day, to import from 50,000 to 100,000 tons of sugar, and much needed quantities of tin and quinine. In return for the tonnage the United States Government will undertake to license normal exports to the islands subject only to such limitations of commodities as are made necessary by the war programme.

"Exports of tin, quinine, and other commodities originating in the islands will be accepted by the United States at the normal rate, and all the sugar offered will be taken, thereby providing a market for as much of the large 1918 sugar crop at the prevailing high American price as the Dutch are able to move."

After the war, however, a more equitable basis of priority would be established, and the wasteful, reduplicative and disorderly method of production and exchange of pre-war times would need simply to be included under the coordination of the International Commerce Commission organized *ad hoc* for the good of mankind.

There are still other reasons for the creation of such a commission with such purposes. The dearth of food and raw material will not end with the war, and the problems of restoration in Belgium and in Northern France, in Russia, Serbia, and Rumania, will largely depend for their solution on an adequate and cheap supply of both. The great American advance in shipping comes largely at the expense of Great Britain and the neutrals. Dangerous rivalry and much embitterment can be avoided in no other way than a just and equal coordination of shipping interests under international control. All in all, the pressure of post-war needs, the problems of restoration, the maintenance and enhancement of the friendship and cooperation now existing between us and our associates will require the upkeep and expansion of some form of those international agencies for the production, increase, accumulation and just and equitable distribution of raw and finished materials which the war has compelled us to create. Their operation is notably salutary. With the modifications indicated by experience and the democratization of their control they would become international organs absolutely sound. Their working would cause the least possible derangement of the order now existing, while their modification of the future in the direction of international peace and cooperation would be maximal.

Together, these agencies would be the International Commerce Commission. They would fall into three great departments — *Food*, *Raw Materials*, and *Communications*. Each would be organized according to the conditions and needs of its particular province. The subcommission on food might be divided into

committees on cereals, on meat, and so on; that on raw materials into committees on Metals, on Textiles, on Fuel and so on; and that on Communications into committees or subcommissions on Waterways, Highways, Airways, Shipping, Post, Telegraph, Telephone, Wireless and so on. The Commission would serve to secure for a world at peace all the advantages which the present commissions and boards, that would be coordinated into it, secure for the democratic world at war. It would work on precisely the same principles and in much the same ways, stimulating production, equalizing and expanding distribution, reducing the possibility of overproduction and so the disastrous consequence of that, and keeping prices low. Indirectly, it would control armaments by controlling the distribution of the raw materials necessary to the manufacture of armaments, and so serve as an arrestive as well as a creative check upon the conditions that make for war.

In outline, the procedure of the Commissions would be something like this. Each state in the league would, through appropriate instrumentalities created for the purpose, make weekly or monthly surveys and concentrations of the surplusage of food, fuel and raw material available for export. This would then be put at the disposal of the proper sub-commissions and committees of the International Commerce Commission. To this commission also would come the collective requests of the various states for these basic goods. The commission would then apportion them on considerations of cheapness and economy of transport and space, urgency of need, and so on, by licensing the necessary shipping. It would thus be enabled to mini-

mize at least secondary costs, to regulate profits, and to prevent unlawful discrimination in restraint of trade. As a check on unfairness or profiteering it would have the power to require an accounting of the receipt, disposal and sale of all goods carried under its license. Offenses would meet with swift and condign punishment by the revocation or withholding of the licenses. One indirect effect of this procedure would be the destruction of the exploiting power of trusts, syndicates and cartels and the opening up to individuals of many avenues of industrial opportunity destroyed by the development of such corporations. Industrially, it would tend to give the "new freedom" an international range, and this not only to the energies and talents of men, but to their capital. For as things are now, the investment of capital must take, by and large, prescribed channels. Most of it must go through the hands of the international money power and contribute to its growth and profit. This is due to the unchecked interlocking of financial with industrial organization, and the interlocking is possible through the agreements "in restraint of trade." The International Commerce Commission will nullify the monopolizing effect of these agreements and give the small investor a wider field and a surer chance.

THE INTERNATIONAL COMMISSION ON RAW MATERIALS

Metals, Textiles, Fuel, and Food

How the Commission on Raw Materials and its subcommissions would operate has been made sufficiently clear in the course of the general discussion of

the International Commerce Commission. The raw materials of fundamental importance are, of course, metals, wool and cotton, and fuel. Of the metals, iron ore occupies the foremost place. Much of the strategy of Germany, much of her international maneuvering, has the aim of rectifying the errors of the peace of 1871 which left to France, through the oversight of the German chemists, the best of the Lorraine ore-fields. The German armies occupied these fields at the beginning of the war and have not been driven from there. The demand for their annexation has always been and remains very strong among German iron-mongers, and the fear of the loss of their present possessions is the basic reason for their clinging to Alsace and Lorraine. France, though rich in iron ore, is poor in fuel. And in the matter of fuel, Germany is one of the richest countries in the world. She has an estimated supply of some 409 billions of tons against England's 189 billions and France's 17 billions. And the great French fuel area of which Lens is the centre is also in German hands. Broadly speaking, France (and Belgium) is as dependent on German fuel as Germany is on French ore. The French have said nothing about taking away from Germany some great coal area like the field west of the Rhine or east of the Saar, but such a reply to the German demand for the ore-fields of Longwy and Briey is perfectly conceivable and just, and on the assumption of any sort of return to the *status quo ante* in international relations, would have to be heeded.

The consequences would be the creation of a *Germania Irredenta*, an inversion of the rôles of France and Germany and an overwhelming new war within a

generation. In view of unimpeachable German testimony concerning the will of Alsatians and Lorrainers, no settlement could be just which would not return these provinces to France. But if they are returned to France, as they will be, neither would the settlement be just that shut off the German people from their access to iron ore. Some basis of exchange of ore for fuel would have to be arranged to equalize the distribution of these two fundamentals as between France and Germany.

But a similar inequality of distribution, not only with respect to iron and coal, but also with respect to all metals, with respect to wool, cotton, and grain, is to be found everywhere. Of everything there is too much in one place and not enough in another. Trade is the enterprise of equalizing this distribution, but as it has developed, it has substituted for the inequalities of the accidents of nature, the inequalities of the greed and injustices of men. As now in war, so in times of peace, the subcommissions on metals, fuels and textiles would, to prevent this, take charge of the national surpluses of these materials and arrange for their distribution on a just and equitable basis. They would coordinate and direct the investigations looking to an increase of the supply and to the creation of substitutes. They would aid in opening up new and unused areas of the world's surface. The International Food Commission, for example, through its committee on cereals, would strive to keep the balance between industrial wants and agricultural supplies. It would absorb David Lubin's International Institute of Agriculture, it would study the soils of Egypt, Asia Minor, Central Africa, it would experiment in grain-growing

and initiate large enterprises in hitherto unused areas. With power to regulate the distribution of national surpluses it would be able to correlate destination with transportation, eliminating waste and reducing costs, and would be able to prevent famine by anticipatory measures of distribution. All this it would be able to do without interfering in the national economy of any state in the League of Nations or out. It, and the other subcommissions, would simply be doing in an intelligent, orderly and provident way, what is traditionally done blindly and confusedly. Unhappily, when it is done blindly and confusedly what happens is attributed to "economic law," but when the same processes are carried out with intelligent regard for their conditions and consequences it is called "governmental interference." The processes are the same in both instances, and they express the same "law." The difference is merely that in one case the result is left to accident, to grow like wild grain, while in the other it is under control, is cultivated into the forms that are best suited to the needs of man. The subcommissions on metals, textiles and fuel would simply restrict "economic law" to operate in ways best suited to the needs of men.

THE COMMISSION ON INTERNATIONAL WAYS

The International Commission on Airways

The airplane is a very new device, not yet incorporated into the transportation systems of nations. Its greatest development has come since the beginning of the war, and this development has been military. That peace will see an attempt to put the military gains in airplane construction and use to commercial

advantage is a foregone conclusion. Now the air is a relatively dark and still unexplored highway and air-traffic has yet to begin. There exist no national vested interests in air-traffic. There is nothing to "protect," nothing to compromise. On the other hand, the possibilities of international conflict over airplane movements are indefinitely numerous, as the existence of voluntary international organization to consider air-law, etc., attest. "Air routes that air transport will follow," writes Mr. H. G. Wells, "must go over a certain amount of land, for this reason, that every few hundred miles at the longest the machine must come down for petrol. A flying machine with a safe non-stop range of 1500 miles is still a long way off. It may indeed be permanently impracticable because there seems to be an upward limit to the size of an aeroplane engine. And now will the reader take the map of the world and study the air routes from London to the rest of the Empire? He will find them perplexing — if he wants them to be 'All Red.' Happily this is not a British difficulty only. Will he next study the air routes from Paris to the rest of the French possessions? And, finally, will he study the air routes of Germany to anywhere? The Germans are as badly off as any people. But we are all badly off. So far as world air transit goes any country can, if it chooses, choke any adjacent country. Directly any trade difficulty breaks out, any country can bring a vexatious campaign against its neighbor's air traffic. It can oblige it to alight at the frontier, to follow prescribed routes, to land at specified places on those routes and undergo examinations that will waste precious hours." It can possibly forbid traffic over its territory. It can main-

tain an aerial police that could not, because of the character of its medium, possibly avoid illegal crossing of alien borders. All this would have to be adjusted. A confusion of regulations under separate treaties would ensue and the development of air traffic would on the one side be choked by artificial political limitations and on the other become a fruitful source of international trouble. The obvious way out is the formation *ab initio* of an international control. The study of the air as a medium for vehicles, the mapping of air roads, the establishment of petrol stations, the policing of the air and the stations, and all the other regulations of the traffic ought to be a single world-wide enterprise, conducted under a single responsible administration. This administration should be the charge of the International Commission on Airways.

If, in addition, aerial policing were the exclusive right of the international organization an independent sanction is provided for it rich with possibilities of secure international control.

The International Commission on Waterways

The duties of the International Commission on Waterways should be first of all the maintenance and upkeep of these ways. It should have in its charge the navigable international rivers; the various straits and canals like Gibraltar, the Bosphorus, Panama, Suez; the sea routes. It should be empowered to take all measures to keep them safe and open. Its second duty would be to police them, to make sure that the international traffic regulations, for which it would be responsible, are kept, and to drive unlicensed ships

from international waters. Its work should be co-ordinate with that of the other sub-commissions of the International Commerce Commission and should serve the common end.

The creation of such a commission presupposes, of course, an international supervision of England's control of Gibraltar and Suez; of the American control of Panama and the surrender by Turkey of the Dardanelles. Under the conditions of operation the ways now policed by the English and Americans are in fact already largely international. Keeping the final right to close these ways is merely insurance against an oppression or danger which would be possible if and only if the *status quo ante bellum* is restored. But neither the economic nor the political situation of the world after the war makes this likely, while the friction which would arise from a failure somehow to internationalize these ways would speedily lead to new war. This friction would derive from the tendency to use control of the waterways to the economic advantage of the controlling power. During the war, the battle for this control has brought inconceivable hardship upon neutrals, altogether contrary to international law. The naval power of England being the greater, England was the worst offender. Germany has been treacherous and brutal, but on the whole impotent. Between them, England and Germany effectively destroyed "the freedom of the seas." When President Wilson declared "the freedom of the seas" to be one of the terms of peace, he had in mind not what Germany had in mind, but what he sent Colonel House to Europe to urge — the security of all shipping under international law. So long as one power retains

control of the world's waterways such security is always under potential menace. The law is always in danger of violation. The only condition under which a genuine "freedom of the seas" can be established and maintained is the condition of international control. The International Commission on Waterways and "the freedom of the seas" are in effect synonymous terms.

The International Commission on Highways

The International Railway Union has an established organization and procedure which would be the natural basis for any expansion of function that the sub-commission on International Highways might be authorized to attempt. Its method of operation could obviously be modeled to best advantage on some American Public Utilities Board, and it should be endowed with similar powers. Broadly speaking these would be to hear and adjust disputes, to order changes for the public good and to regulate international traffic rates over land routes, so as to prevent discrimination in restraint of trade. Its existence would abolish the need of special commissions or special treatment for such disputed highways as the Bagdad Railway and other concessionary creations. It would provide one law and one supreme authority for all travelers and shippers, cutting under at a stroke the rich sources of disputes which any other form of adjustment would be bound to leave unmodified. It, also, of course, would be acting in coordination with the other sub-commissions of the International Commerce Commission.

The three subcommissions on Waterways, Highways,

and Airways would together form the single *Sub-commission* or *Committee on International Ways.* The three sub-commissions sitting together would deal with the joint and interdependent problems of international travel and transport, relative costs, distribution and regulation of traffic, and so on.

THE INTERNATIONAL COMMISSION ON SHIPPING

The character of maritime warfare has rendered the procuring, maintenance, control and utilization of shipping one of the basic enterprises in the conduct of the war. The German submarine campaign seriously discommoded the whole of the English war economy and so interfered with the normal mercantile activities of the United States as to force this country into war and into a shipbuilding program based on the needs of war. Behind this program lay considerations of another nature as well. The absorption of British shipping in the carrying of purely war necessities, the driving of the German merchant marine from the high seas by the British fleet, created a demand for tonnage which American enterprise hastened to, and in some measure did, supply. Much of the trade between England and the rest of the world and between Germany and the rest of the world was diverted to the United States. Markets formerly closed in effect to American goods were opened in South America and in the countries of the Pacific and Indian Oceans. This accretion of trade American business was naturally eager to hold when the war should be over, and holding it is dependent largely on the use and control in America of American bottoms. This dependence was prior to and underlay

the dependence of the efficient conduct of the war on an adequate tonnage. Thus, the act of September 7, 1917, which created the United States Shipping Board, created it "for the purpose of encouraging, developing, and creating a Naval Auxiliary and Naval Reserve and a Merchant Marine to meet the requirements of the commerce of the United States with its territories and with foreign countries; to regulate carriers by water in the foreign and interstate commerce of the United States; and for other purposes." The necessities of war, however, soon diverted the attention of the Shipping Board from the peaceful development of the American merchant marine and the regulation of foreign and domestic shipping to the urgencies of making American war-power effective in France and of aiding our co-belligerents to maintain and enhance their own effectiveness. Its domain applied to everything connected with ships — making them, taking them, buying them; running them, loading them and deciding where they should go with their loads. Each one of these functions had its own ramifications. Making ships involved the creation of manufacturing agencies like the Emergency Fleet Corporation, the finding and construction of shipyards, the provision of adequate machinery and raw material, whether wood or iron or concrete, the securing and care and housing and education of the necessary labor-force, and so on. Making ships involved creating instrumentalities for all these functions. So did running and manning them. Commissions and Committees and Boards had to be provided to assign shipping to governmental agencies other than the Shipping Board, to allied governments, and to private

operating companies. A *Shipping Control Committee* had to be provided to allocate tonnage to cargoes and trade-routes, and a *Ship Chartering Committee* to control the charters both of unrequisitioned American and neutral vessels. Vessels, again, had to be supplied, repaired, altered, salvaged, and for these functions means and instruments had also to be created. Then freight rates, interstate and foreign, had to be regulated. The wages, conditions and hours of labor for officers and men for work on ships and ashore had to be established and regulated. This need brought into being the National Adjustment Commission, the Shipbuilding Labor Adjustment Board and other agencies. Loading ships, once more, particularly wartime loading under conditions of submarine warfare, required a very detailed program of import restrictions, a program worked out by the Division of Planning and Statistics. And as shipping is very dependent for its utility on the proper harborage and terminal facilities, the Shipping Board had to create its Port Facilities Commission. To insure its vessels against maritime and war-risks it created an Insurance Committee; and to get all the men it needed, to train them and to organize them for service, it provided its Recruiting Service. For the record of all its operations, again it had to install an extensive disbursing and auditing and law staff. And finally, to keep the citizenry of the country informed as to the needs, value, and importance of the problem of tonnage and of the methods used to solve it, the Board created a Bureau of Information and a Publicity Service.

In sum, the Shipping Board has developed in a period of less than a year institutions and instrumen-

talities involving directly the life and the labor of hundreds of thousands of men and women at home and the welfare of whole nations abroad. It is a national organization, a department of government having a magnitude possessed by no other agency equally available for peace and war. Among our co-belligerents there are, of course, parallel organizations, like, e.g. the British Ministry of Marine, under various names. It is clear that as an agency for the carrying out of plans of economic warfare and financial imperialism, there are very few administrative boards or ministries with equal qualities of aptness and adequacy.

The war, however, which has compelled this enormous and rapid expansion of the operations of the Shipping Board has also compelled coordinately the internationalization of its action and control. This internationalization, one is proud and happy to set down, is itself the direct consequence of the efforts of the Board, sensitive and responding swiftly to the pressure of war needs for a unified control. It had, independently, begun controlling shipping in 1917, through the agency of its Division of Operations. Little by little this control was integrated with others among the allied governments, until on February 11, 1918, it was put into the hands of a Shipping Control Committee, of three men, of whom one represents the British Ministry of Shipping. The Shipping Control Committee is the agent both of the War Department and the Shipping Board. As the agent of the War Department it is completely responsible for maintaining, manning, supplying and operating the vessels assigned to carry cargo for the Army. As the agent of the Shipping Board it allocates to all vessels that

come under the Board's jurisdiction cargoes and trade-routes. Its allocations are made on the principles of priority, economy of tonnage and efficiency of transportation. Its operations applied on September 30, 1918, to a fleet of 1,356 vessels of 17,224,862 dead weight tons. On the basis of information furnished by its various departments as to needs, priorities, and so on, the Division of Trades and Allocations assigns through its subdivisions the amount of tonnage for this or that material or this or that country. In war-time, stress has, of course, to be laid on military necessities like manganese and tungsten, rubber, wool, nitrates. Emphasis would fall on such fundamentals in hardly a lesser degree during peace times: for industrial society is basically dependent on metals, fuel and food.

The other, and perhaps more significant aspect of the internationalization of the control of shipping, is the integration of the work of the Shipping Board, under the pressure of war needs, with the shipping controls of our co-belligerents in the *Allied Maritime Transport Council.* This council was created at the Paris Conference in December, 1917. It added to the economy of allocation the economy of elimination of competitive bidding for ships and goods among the Allies. It began its work in London, February 15, 1918, but was not permanently organized until three weeks later, on March 11.

"The purpose of the council," it was then declared, "is to supervise the general conduct of allied transport in order to obtain the most effective use of tonnage for the prosecution of the war, while leaving each nation responsible for the management of the tonnage under its control. With this object the council will

secure the necessary exchange of information and will coordinate the policy and action of the four Governments — France, Italy, the United States, and Great Britain — in adjusting their program of imports to the carrying capacity of the available allied tonnage (having regard to naval and military requirements) and in making the most advantageous allocation and disposition of such tonnage in accordance with the urgency of war needs.

"The council will have at its service a permanent organization, consisting of four sections (French, Italian, American and British), the head of the British section being secretary to the council. The council will obtain through its permanent staff the programs of the import requirements for each of the main classes of essential imports, and full statements regarding the tonnage available to the respective Governments. It will examine the import programs in relation to the carrying power of the available tonnage to ascertain the extent of any deficit, and will consider the means whereby such a deficit may be met, whether by a reduction of the import programs, by the acquisition, if practicable, of further tonnage for importing work, or by the more economical and cooperative use of tonnage already available.

"The members of the council will report to their Governments with a view to securing that the decisions and action required to give effect to any recommendations made by the council are taken in their respective countries."

The pol y of the council governs the Allies, but is technicall only advisory to America. The Shipping Board's D. ision of Planning and Statistics furnishes

it information and its policies are deferred to by the Board's controlling agencies, but are not coercive. When, in June, 1918, the Allies finally agreed to form program committees to coordinate supplies and requirements, the reports of these committees to go to the Allied Maritime Transport Council, which is thus definitely informed as to the extent and character of its task, an embryo international commerce commission was in fact established. That the organization is not completer is due to the fact that the United States is not an ally, but only a co-belligerent. The American Section of the Transport Council has an independent existence. It maintains constant communication with Washington and its policies are guided from there.

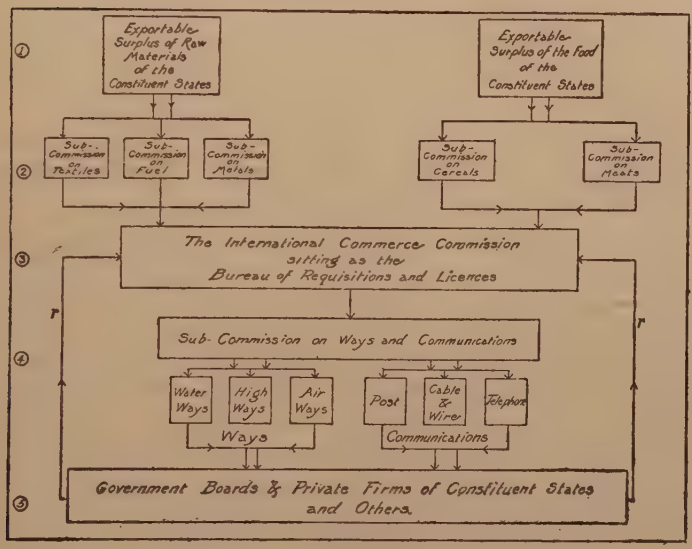
There are thus, in shipping, two international organizations, the American-British Shipping Control Committee and the Allied Maritime Transport Council. Their functions in some degree overlap, and might conceivably conflict. The duality derives, first, from the somewhat detached position of the United States in the war against Germany and secondly, from the maritime commercial situation in force when we entered the war. We had after generations attained a position of mercantile maritime advantage. We had attained it through the circumstance of war, at the expense of England and of Germany. That both these countries, particularly the former, will seek and will be able to weight a redress of the balance of trade after the peace is natural and to be expected. What is the American attitude and position to be? Assume that it is to be the normal thing — the thing the ordinary "business man" and "banker" is habituated to. We shall then seek to hold the commercial

and maritime advantage we have gained, regardless. We shall quarrel over shipping at the peace table. We shall gain the immediate enmity of England, and consequently of France, for whose *rentiers* and investors and politicians business is business, and does not get mixed up either with gratitude or sentiment any more than the roast does with *hors d'œuvre*. Then, to defend our advantage, if we succeed in keeping it, we shall have to endanger and perhaps even refuse or render impotent the much-desired League of Nations. We shall have to create an enormous navy, to establish a universal military service and a standing army. This would undoubtedly be dictated by our national honor and would gladden the hearts of Mr. Roosevelt and Senator Lodge.

The alternative program would be completely to abolish our aloofness. To demand the maximum of integration and expansion of the Allied Maritime Council. To demand the representation of every ship-owning country in the world in the council. To convert into an International Shipping Commission which shall function for the world as the Shipping Board and the British Shipping Ministry function for their respective countries. If we do this, we may have to divide some of the spoils, but we shall keep more than we share, and we shall save the cost of a terrible military establishment and retain the friendship and cooperation of our co-belligerents. The commercial and maritime situation clearly indicates an *International Commission on Shipping* as an integral part of the International Commerce Commission. It indicates in a word, the League of Nations, among the members of which differential freight-rates and other forms of dis-

crimination in restraint of international trade will be felonies.

DIAGRAM OF THE MOVEMENT OF RAW MATERIALS, FOODS, FUEL, ETC., UNDER CONTROL OF THE INTERNATIONAL COMMERCE COMMISSION.



Explanation of Diagram. According to the proposal for the constitution of the International Commerce Commission, the war-practice of nations in buying up or otherwise regulating the distribution of raw material is to be continued. All surplus, (1), usually exported in a haphazard way, is to be put under the control of (2), the appropriate subcommissions and committees of the International Commerce Commission. This sits as a whole, (3), passing on the requests, (r), of the various governments and business organizations of the world, (5), for these goods and authorizing their distribution by notice of license to the subcommissions on Communications, (4). The other functions of the commission, such, e.g., as developing resources and finding substitutes, are not indicated.

The Commission on International Communications

The Commission on International Communications has its foundation in the already existing International Postals and Telegraph Unions. Its business would be to coordinate these unions, to make them completer and to increase their efficacy in the execution of their functions and to cooperate with the other subcommissions of the International Commerce Commission in the execution of theirs.

THE INTERNATIONAL FINANCE COMMISSION

Behind the operations of the powers in Asia, Africa, and the Balkans, there exists a financial unity not expressed in political organization. We hear occasionally of the "money trust" and "invisible government." Since the beginning of the war we have heard of meetings of international financiers — German, Austro-Hungarian, Russian, French, and English — frightened by the democratic tendencies set free by the war, and eager to find a settlement that will preserve intact their privileges. We have been made familiar with the attribution of sinister motives to Lord Lansdowne's plea for peace, and we have the statement of some of the most humane and liberal men in England that his motives are sinister. But there is very little real public knowledge of the connection between the old feudal land-owning aristocracy he represents and the banking powers whose interests in conflict have developed into the war, now designed by democracy to destroy the power of those interests to make war.

The connection is on the whole very simple. Prior to the industrial revolution the wealth of the richest

feudal baron was limited by the value of his lands, and increase in wealth meant increase in land. There was an upper limit set by the extent, fertility, and variety of his holdings and a lower limit by the capacity of the tenant to pay rent. The country was country-side. Cities were comparatively few and small, were religious and political capitals rather than industrial and commercial centres. The industrial revolution changed all this. By its tools for the intensive handling of the land, by its effect on the growth of cities, by its use of hitherto idle natural powers of coal, iron, water, tin and so on, it enormously enhanced the value of ground rents. The feudal baron received the first profits from the industrial change through rents and royalties. Finding himself with far more money than he could spend, he invested it in the enterprises of the manufacturer and trader and thus added to his primary profit as landlord the second and even greater profit of the entrepreneur and investor. So long as he was able to do this, at the very large original profits, the wealth of his home country increased and its industry expanded, regardless of the effect of this increase and expansion on the masses of the population. This was particularly the case in England, where the industrial revolution received a great initial start. At first excesses were restrained by the sharp competition of ever new undertakers in the same field. But as more and more identical capitalists invested their money in different enterprises, combinations took place. Syndicates and monopolies absorbed or crushed competitors. The administration of business, instead of being as heretofore direct and personal, became vicarious and impersonal. Investors ceased to be

managers in control of their own affairs. They became stockholders living on dividends, and accumulating an ever-growing surplus. The further investment of this surplus in home enterprises was prevented by the operation of the so-called principle of diminishing returns. Labor became restive under the terrible exploitation it was undergoing and organized. The law-making power was forced to take cognizance of the situation and passed labor laws. The raising of wages and improvement of conditions, extorted by compulsion, tended to diminish profits. Capital the world over, instead of being invested directly, was committed to banks for investment; and banks, seeking the largest profits for themselves, aimed to invest this capital in loans, concessions and other things abroad that would bring them the largest commissions and rakeoffs, and their clients a somewhat higher income than, at a fixed rate of interest, they could get at home. In Egypt, for example, a labor day lasts from 12 to 15 hours. The wages are sixpence to a shilling a day for adults and sixpence for children. The difference between this and the cost of English labor represents a clear profit to the investor. Again, in the matter of interest and commissions, the Khedive of Egypt borrowed 82 million pounds at 7% with 1% for amortization. The banks gave him, however, only 20,700,000 pounds, keeping the larger part of the balance as security and returning him the rest in his own notes for 9 million pounds which they had bought at 65. He paid interest, of course, on the whole 82 millions while the banks paid their own clients interest only on what they had invested at a much lower rate. Once more, in 1904, the young Sultan of

Morocco borrowed from French banks 10 millions. They took a commission of 2,500,000 but charged interest on the whole 10 million. When he was forced to issue bonds for a new unnecessary loan, the banks took them at 435 but sold them to the French public at 507 francs, pocketing the difference. The Sultan paid interest at par. And still again, the German banks that financed the Bagdad Railway got 100 million marks clear profit. In addition they cut down the price of construction by 180 million marks, which they put into their own pockets, the Turkish government being required to pay on the basis of the original contract estimates.

Clearly the largest profits went in these cases to the banks. To operate, they had to concentrate the savings of both large and small depositors and investors. Great banking firms thus were led to establish branches at home and abroad, to absorb small banks or destroy them, and to come to agreements with rivals. The centralization and monopoly of money power took the same course as the centralization and monopoly of industrial powers. Amsterdam, Berlin, Frankfort, London, New York, Paris, Vienna, became the great money centres of the world. Trade in money, technically called exchange, became an enormous and all-powerful business, the manipulation of which controls the work of the whole world. All the great banks are international in their operations and the world's business is theirs — to float securities and promote investments; to get loans, concessions, trade monopolies, particularly in undeveloped countries where labor is cheap and government is weak. They are constantly taking money out of the home countries,

whose investing classes live on the interest earned abroad no matter how, whose laboring classes starve and grow increasingly restless, while the activities and life of the home countries stagnate. There was the fire behind the smoke of the German charge that both England and France were degenerate. England was the foremost creditor country of the world. She had 20 billion pounds of foreign investments. The misery and squalor of her masses was only to be measured by the ease and superiority of her classes. The money of those being in foreign lands, her politicians were absorbed mainly in foreign affairs. Only just before the war had they begun to turn their attention to the home population, to the stagnation of industry, the cheapness and inadequacy of education, the terrible misery of her workingmen. France was second to England as creditor country. She had 8 billions in foreign investments. Her masses, thanks to the *foyer*, the family system, and to the equitable distribution of the land, were better off than the English masses, but her population was stationary and her industries, roads, and internal organization were backward. Germany, on the other hand, had only in recent times begun to export capital. She had a foreign investment of about 5 billion dollars. This investment was made possible entirely by dint of the intensive industrial and social development of the country. Thus, at the beginning of the war Germany was at her industrial maximum, a strong and feared rival of England's and as an investor a very swift runner-up against France. In this respect the United States was like Germany — a great debtor country, most concerned in the development of her own resources. The Monroe Doctrine

kept the European financial octopus from strangling the republics of South America; and American banking laws, coupled with the refusal of the government to insure private investments abroad with the arms and blood of the citizens at home, kept the surplus capital of America from wandering too far afield for the good of the state. Only during the Taft administration did a question of foreign investments become an important political question. This was the famous participation by the Morgans in the notorious six-power loan to China, fortunately prevented by President Wilson. Another danger arose over the demand by investors for intervention in Mexico, a danger also averted by President Wilson's courage and wisdom.

It will be seen that, on the record, the affairs of the world are in the actual control of an international money power which is capable at will to create money stringency, causing panics and business disorganization, to raise and depress money values artificially, and by its control over the foreign policies of states, to bring on wars.

"In one great modern state in particular," writes W. M. Fullerton, in *Problems of Power*, "the French Republic, eight or nine gigantic establishments of credit have formed a veritable trust, which has tended to kill the minor banks, and by whetting the French middle class distrust of modern democratic social-legislation, has cultivated the prejudice that French securities are unsafe, and thereby so monopolized the employment of the public wealth that France may be said without exaggeration to be virtually a financial monarchy. The apathy of the French parliament as regards the construction of great public works, such as

modern ports and canals, is often cited as one of the main causes of the relative industrial backwardness of France, and of the increasing invasion of French territory by enterprising German, Belgian, or Swiss capitalists. A more potent cause assuredly is the fact that a large proportion of French savings is systematically exported abroad, on the pretext of assisting needy foreign states, while affording safe investments to the French '*rentier*' but, in reality, with the object of securing monstrous profits which benefit only the banks in question, a few intermediaries, and a certain section of the press, and with the result of developing the wealth and the defensive force of rival peoples, favoring the depopulation of France, and preparing the gravest complications for that country in case of a European war." The whole "defeatist" propaganda in France is an aspect of these "gravest complications."

Concerning Germany and the rest of the world, David Starr Jordan writes in the *World's Work* for July, 1913: "In Germany we may fairly regard the Emperor as the centre of a gigantic mutual investment organization, with its three branches of aristocracy, militarism, and finance; all the powers of the state, military as well as diplomatic, being placed at the service of the combined interests. In so far as other nations are powers, the fact is due to the influence of similar interlocking combinations. This is certainly true in England, France, and Russia, and the dollar diplomacy of the United States, now happily past, was based on the same fundamental principle. . . . In Europe the governments everywhere frankly make open cause with the interests. The foreign offices are, therefore, for the most part, little more than firm

names under which these interlocking syndicates transact their foreign business. . . . A large percentage of the international troubles of the world arise from this one source, the use of governmental authority to promote private schemes of spoilation."

The remedy for this condition is obvious. What moves the banker is his enormous profits. The opportunity to make these at the expense both of the foreign power and home investor must be removed, while the legitimate functions of the banker, to concentrate capital and to make it swiftly and easily available, must be secured and regulated. By putting the control of loans, concessions, etc., in the hands of the International Commission on Undeveloped Countries, the first end is secured. China or Persia will not be able to float a loan without the license of this Commission whose business it is to safeguard the interests of such countries. To attain the other end, the useful concentration of money, will be a duty of *The International Finance Commission.* Licensed by the first Commission, any one of these countries will then appeal to the second. The second will announce the conditions of the loan, the terms of interest, its duration and security, to the whole investing world. It will receive bids from all investors, regardless of nationality or financial power. It will have power to market bonds if necessary. Its own charges or commissions will cover only the cost of the operation, and it will regulate the commissions and fees of the banks. In this way it will effect a great saving both for the borrowing country and the lenders. The amount saved ought to go toward a universal standardization of wages.

Its other, and perhaps prior, function would be to regulate the money-market, to standardize exchange and credit and to prevent depression, panics and disorganization. To do this it would need to become custodian of the international gold-reserve and to organize an agency like the American Federal Reserve Board. Financiers have realized this need some time ago. "European financiers," writes the American Exchange National Bank in its September letter, "have watched and studied the operations of our Federal Reserve system more closely than have Americans. English and French bankers have had long experience with central banks of discount backed by their Governments, and are therefore capable of judging the merits of our system. They have seen how our Federal Reserve Banks, advised by the Federal Reserve Board, have stabilized our banking system and prevented panics and stringency in American money markets under the most trying conditions created by the outbreak of war in 1914.

"While the United States is sailing on an even keel as far as its finances are concerned, great confusion prevails in most other countries, which is evidenced by the excessive premiums and discounts prevailing in markets for foreign exchange. These inequalities will not be easily removed at the end of the war, because so many countries are practically bare of gold, while the United States holds more than its share of the world's supply. One of the great problems of the near future is how to prevent the existing stock of gold from being scattered and thereby deprived of usefulness for reserve purposes.

"Taking our Federal Reserve system as a guide, the

suggestion has been made in Europe that an International Reserve Board be created by the allied countries to stabilize international currency and exchange. This Board would regulate the issue of international gold notes which should be legal tender at face value for all payments in the allied countries and in others that entered the circle. In this way most of the world's stock of gold could be conserved for reserve purposes.

"It will be remembered that many financial lights of that day predicted that the United States Treasury would be drained of gold when specie payments were resumed on January 2, 1879. When the day came the predicted line did not stand waiting for the doors of the New York Sub-Treasury to open. Nobody wanted gold when paper was just as valuable and much more convenient. So it would be with international gold notes, if confidence in them could be inspired."

As the function of stabilizing international credit is distinct from that of foreign investment, the International Finance Commission would best be divided into two subcommissions, one on *Political Loans and Investments* and one on the *Stabilization of Credit.*

THE INTERNATIONAL COMMISSION ON ARMAMENTS

Armaments have been held, and by many persons still are held, as the chief guardians of national security, and the agitation in America for universal military service and colossal arming has grown in intensity from the beginning of the European war. This war has given an enormous impetus to the American

munition makers. Their profits run into billions, and the profits of great banking firms like the Morgans, who lent the Allies money to buy the stuff the munition makers make, have been correspondingly great. Bethlehem Steel, Midvale Steel, General Electric, duPont Powder, Westinghouse Electric and American Locomotive Companies, centrally controlled by a few great banking powers, have made most of the blood money. Since America's own entry into the war their profits have been curtailed, but they have been expanding their plants, multiplying their stockholders and spreading their investments. As Congressman Clyde H. Tavenner has shown,[1] many of their stockholders and directors are members of the National Security League and the Navy League, and of all the other agencies who identify patriotism with preparedness and for whom preparedness is a source of profit. They are denouncing as unAmerican all people who do not agree with them and all legislators who voted otherwise than they thought proper. Much of the war sentiment of the country is with them, and when the war is over, if they have their way, the United States in common with the rest of the world will be saddled with the burden of an enormous military program, and the rest of the game whose watchword here is "dollar diplomacy."

Are they right? Is it true that in armament lies security?

On the contrary, every candid examination of the history of Europe prior to the war must lead to the conclusion that armament provokes insecurity.

[1] Speech, House, February 15, 1915, "The World Wide War Trust." Speech, House, December 15, 1915: "The Navy League Unmasked."

Neither the United States nor Canada was armed, yet the two countries maintained peace for over a hundred years, in spite of disputes that in armed Europe would have brought on war.

The *status quo ante* has been a condition of insecurity, largely through arming, for armament is bound up with the competition in arming, and with the imperialism of the financiers. The growth of armaments is coincident with the export of capital into backward and undeveloped countries, the guaranteeing of private loans by public force, the attempt to establish trade and production monopolies, with their implication for governments of spheres of influence, protectorates, colonies. England being the first of the great European countries to acquire a large surplus capital, it showed itself first in England, in the seventh and eighth decades of the last century. When, in 1884, England was appropriating only Egypt, her naval expenditures were between 20 and 30 million pounds. When she had absorbed South and Central Africa, parts of China, of Persia, and the islands of the Mediterranean, her naval expenditure had risen to nearly 80 million pounds. Part of this expenditure was defensive. The navy was not only to guard the monopolies of the English feudal capitalist, it was also to offset the challenge to that monopoly on the part of Germany, whose naval expenditures, rising with the development of her colonial program and her foolish concern about "a place in the sun" grew from nearly 18 million in 1888 to 105 million between 1908–18. The total expenditures of the six great powers in the decade between 1903 and 1913 rose from 390 to 720 millions for navies and from 1135 to 1190 millions for armies.

These powers, it is to be remembered, were never in danger from each other at home. They were in danger from each other in Turkey, in Morocco, in Tunis, in China, and perhaps in Alsace-Lorraine. "Preparedness" was not really preparedness for defense. It was preparedness for aggression and competition for the monopoly of the exploitation of weak states. To go on with it, after the war, and at the same time to meet the cost of the war is, according to Professor Walther Lotz (*Norddeutsche Allgemeine Zeitung* — in an article commenting on Earl Grey's proposal for a League of Nations and quoted in the *New York Times* of August 5, 1918), impossible for the financial power of any people. It would mean bankruptcy. The armament situation itself, then, considered simply in relation to post-war burdens requires international treatment and international agreement.

But there are other considerations which make this even more necessary. By and large, the manufacture of munitions is a private and uncontrolled industry. Its business is to produce and to sell as much as it can for all that the traffic will bear. It if overproduces it must find or create new markets and increase the will to buy of the old ones. It cannot, if it is to grow and prosper, regard either the interests of a country or the peace of the world. Hence all its operations are in their very nature of necessity a deadly menace to both. In a more sinister way than financial magnates, munition-makers have become organized, simply in consequence of the nature of their business, into one of the world's most powerful international industrial corporations. Their customers vary from petty African or Afghan chieftains, to whom they sell antiquated

left-overs of guns and munitions at the price of the best contemporary type, to civilized and responsible governments whom they must persuade to buy largely and generously. As their stockholders and directors are of the upper and governing classes, this is not difficult where a government is irresponsible. Where, however, a credit has to be voted by a popular assembly, other methods must be used, methods effective by the manipulation of the public press and the agencies of rumor. Then, lest profits be reduced by the competition of different companies, these are organized on the basis of (1) trade agreements, (2) price agreements, (3) the division of selling territory, (4) the ownership of patents, (5) the collusive use of devices to create unpreparedness scares and to sell arms.

For the international character of their control and operation look at the Nobel Dynamite Trust. The Krupps and the Dillinghams of Germany own 7462 of its shares; seven munitions corporations in England own 10,000 and more; a similar amount is owned together, by two Italian and two French firms; Bethlehem Steel, of the United States, own 4301 shares. The profits go to these people, regardless of who is hurt. Or again, consider the Harvey Steel Company. Its British charter empowers it to incorporate or control four other companies holding the Harvey patents for treating steel. It is also the licenser of the Krupp and Charpy processes of hardening armor. Its profits were handsome — and not distributed to Englishmen alone. But it became a scandal, and in July, 1912, wound up its affairs — *formally:* Standard Oil also wound up its affairs. Yet again: in 1913 a short time before the war and fully aware of the

prepotency of Germany in Turkey, Armstrong-Vickers actually undertook to reorganize the Turkish naval docks, while somewhat earlier the German Krupps and the French Schneiders (Creusot) united to develop the iron ore fields in Algeria. The arrangement was broken only by the insistence of French public opinion. The British Arms Trust has two subsidiary companies in Italy, others in Spain, Portugal, and Japan. French, British, Belgian, American, and German firms rebuilt the Russian navy. Frenchmen owned preferred stock in the steel plate works in Dollingen, Germany.

For examples of the profiteering of munitions-makers, even in peace times, one need go no farther abroad than home. The American Armor Plate Syndicate sold Russia armor plate at $249 per ton. The United States could not get it at less than $616. It ought to be said that the low price to Russia was protested by other manufacturers. The protest led to a conference in Paris and that to an international price agreement on armor plate. This was in 1893. Three years later the price was lower to the United States and from 1896 to 1914 the government bought plate from the trust at $440 per ton. But, according to the report of the present chief of Ordnance, Rear Admiral Strauss, it was making the same plate in a factory of only 20,000 tons' capacity at $229 per ton. For powder which it makes in its own factories at 36 cents per pound, the government paid in seven years prices varying from 53 to 80 cents. For 31 second combination fuses which it makes at $2.92 it paid $7.00, and for 4.7 inch shrapnels which it was making at the arsenal in Frankford at $15.45 each, it paid in 1913

$25.26 each, for a lot of seven thousand. Secretary Daniels has been the butt of every kept newspaper in the country. The reason is, he conscientiously tried to eliminate from the navy profiteering by munition makers. To cite just one example: the Syndicate quoted him $490 each for a certain projectile; when he asked for a bid from a certain English firm, the Syndicate's price came down to $325. The war, which, before we joined it, ended English competition, brought the Syndicate's price up $100.

For examples of the bribery of officials, the debauching of newspapers at home and abroad, the creation of war scares, we need only refer to Dr. Liebknecht's exposure of the operations of the Krupps in Germany and in France and to the Mulliner scare in England in 1909. All such operations are organized on the basis of making private profits from wars.

Internationalism, patrioteering, profiteering, bribery, are not the only counts against the armament makers. It is against them that *there exists no agency for controlling them.* As their operations involve the "defense" of the nation, they are secret. The war office stays mum and questions are met with silence "for the good of the country," with the consequence that prices and sales conditions are what the munitions-makers choose they should be. It is against them that the *stock in their companies is owned by rulers* — officials, journalists, members of parliaments and diplomats. Such ownership by people in public places makes the purchase of armament a public policy from which the owners reap great private advantage. An investigation of the English Vickers Company showed its stock to be held by 313 members of parliament or

their connections — 2 dukes, 2 marquises, 50 earls, 10 baronets, 20 knights, 20 military and naval officers, 3 financiers, 8 owners of newspapers and journalists. It is against them that they *make and promote foreign connections and loans* in order to increase the sale of munitions. A portion of the 1913 five-power loan to China was carried by Austrian and German arms manufacturers. They paid her a part of the loan in torpedo boats and made two profits. But what use had China for torpedo boats? It is against the munitions-makers that *they create war scares, that they cause the scrapping of expensive armor* by all nations through inducing one nation to buy new armor, *that they debauch the public press, that they debauch members of governments* by means of their lobby, that *they foment intrigues among weaker peoples* in order to increase their sales, that *they munition savage warfare*, that *they arm slave traders*. English firms have sold Afghans arms that they knew were to be turned against the soldiers of their own country. German firms have supplied Arabs and other dealers in human flesh with arms for defense against gun-boats of their own country. There is no traffic so iniquitous, none so dangerous to the peace of the world, as this which makes its profits out of war and the engines of war. International, a monopoly, secret, with great power in high places, the munitions trade shares with finance the imperium of mankind.[1] If the liquor traffic is antihuman, how infinitely more, this.

What is to be done about it? The first and indispensable thing is to expropriate the private owners.

[1] For a full account of the operations of armorers, *cf.* G. H. Perris, "The War Traders."

The manufacture of munitions must become a national monopoly and every state must maintain its ministry of munitions, in complete possession and control of all the armor plate, gun, explosive and projectile factories of the land. The accounts of this ministry must be open to public inspection and an accounting must be publicly rendered to the popular assembly once every six months, both of the munitions produced and the cost of production. This arrangement will abolish the evils that come from the private traffic in tools of war. It will destroy its internationalism, its monopoly, its secrecy, its profiteering, its power to influence government. It will not, of course, destroy the international menace of competitive armament nor the chances of unfair advantage of one state over another.

To attain the destruction of the latter the *International Council* must have power to limit the budget of any constituent state in the League of Nations for armament. There must be an *International Commission on Armaments* which shall be charged with

1. The supervision and inspection of all aspects of the production and distribution of armaments by the states in the League.

2. The checking up and publication for international purposes of all records and accounts.

3. The custodianship and control of all military inventions.

The effect of the limitation of expenditure, international publicity and international control of military inventions would be the general recession of the military idea from the life of nations. Aggressions such as Germany's would become automatically impossible,

for even when made with the purest motives, it would lack the sole conditions on which it could count for success — a superiority, at least initially, in armament. Had the German government counted on anything but a short war it would have waged no war.

THE INTERNATIONAL COMMISSION ON CENTRAL AFRICA

The quarrels between European powers over the African colonies are among the most inexplicable in history. Neither the necessity for raw materials nor the hope of trade nor the need of soil for overflowing population justify them as part of national policy. People will not emigrate to these dependencies. Thus, after seventy years of domination and an expenditure of seven billion dollars there are only 364,000 Frenchmen in Algeria and the control is still military. In Tunis, after an occupation of thirty years, there are only 24,000 Frenchmen and 83,000 Italians. To the German colonies only 596 of 269,441 persons went as settlers, in spite of all the inducements to settlement which the German government offered. The migration of peoples and the colonization of lands is, as anybody who chooses to study the history of migrations may see, altogether independent of so-called vital interests of states and political loyalties. It is not for nothing that more nationals of all kinds have in the last fifty years immigrated into the United States than into all the colonies of all the European countries put together. As for trade — it is enough to note that the imports and exports between Germany and her colonies, 1888–1906, is 80,000,000 marks less than the value of the annual bill of goods she sent to Switzer-

land only. The interests of trade are international, for the prosperity of the customer determines his buying power and his buying power determines the development of trade. Eight billion of the nine billion of German imports in 1910 came from America, Europe, Australia and New Zealand, and England herself, with all the variety of her possessions, gets only one fifth of her imports from her dependencies, both of raw materials and of finished products. From the point of view of national economy colonies are an unprofitable investment. Their defense requires an altogether disproportionate increase in armament, their exploitation has created a policy of preferential tariffs, of trade discriminations and of the abuse of native populations.

What, then, beyond international jealousy and childish emulation, is the sanction for the present day colony-making appetite? It is the greed of some original trading firm of which the British East India Company is a historic prototype. These firms grow rich by exploiting the native. When they find that they have bitten off more than they can chew, they "pass the buck" to their governments. Thus, in 1883, a Bremen trader, Lüderitz, made treaties with native African chiefs. His government did not heed his requests for support until his claims were disputed by agents of the British crown. Then Bismarck ended negotiations by declaring Lüderitz-land German territory. About the same time Belgium secured the Congo Free State. Lüderitz was followed by the German East African Trading Company, the German Trade and Plantation Company, and by banking firms taking up mining concessions and grants of land. As white

men could not be won to enter the country and were too expensive when they did enter it, the enslavement of the blacks was the foundation of the prosperity of the companies. For example, the Hereros were first expropriated, then decimated, and the survivors enslaved; the Congo scandals disgusted the world. To keep this rich source of wealth entirely to themselves, officials discriminated against subjects of other states by a great variety of means, from libels to tariffs, and the home governments, whose members usually held large investments in the exploiting companies, were expected to insure the holders and their technique with the blood and treasure of the nation. But slave labor and cheap labor everywhere in the world is a menace to the standards of life for labor everywhere. Peonage in the iron mines of Morocco, for example, means a cheaper product there and the movement of capital from France there, until the returns on capital in both places have been equalized. It is imperative for the white labor of the world to guard itself by guarding the black, just as it is imperative for the commerce of the world to secure the prosperity of its customers if it is to do good business.

The interests of both trade and labor, hence, to say nothing of the merely humanitarian considerations, require a handling of Central Africa entirely different from the traditional one. Certainly the German colonies, although remaining German property, may not, in the face of the record, return to German control; nor, to keep things equal, should the English or Portuguese or Belgian. The alternative is the proposal of the British Labor Party to pool them all under an International Commission for Central Africa. The

first duty of this Commission should be *to protect the blacks.* It should prevent their enslavement and all other forms of exploitation, including that which consists in the sale to them of drugs, guns and liquors. It should undertake sanitation and education, teaching them new and *real* needs which civilized countries might supply, particularly in agricultural implements and textiles, and endowing them with the power to earn the price of those things. It should maintain the "open door" to all nations, and should facilitate the opening up of the country. But first, last and always it should work on the principle that it can serve the interests of the world best by securing the freedom, well-being and prosperity of the blacks. For the freedom, well-being and prosperity of the blacks will save white labor from the dangerous competition of the cheaper black, and provide the white manufacturer with a great and hitherto undeveloped market for staple goods.

THE INTERNATIONAL COMMISSION ON UNDEVELOPED COUNTRIES

Certain countries, ostensibly sovereign and self-governing, are in fact weak, incompetent, and under the control of one or more powers, or the victims of the rivalry of those powers for such control. Their natural resources, often very rich, are undeveloped, their people are barbarous, superstitious, ignorant and overburdened with taxes, and their governments are usually very weak and corrupt. Such countries are Turkey, Morocco, Egypt, Algeria, Tunis, Persia, Korea, China, Mexico, Samoa, Siam. These, European governments, acting upon the pressure of great financial

interests who first lend them money to be secured by concessions, turn first into spheres of influence, then into protectorates, finally into colonies. Such has been the fate of Algeria, Tunis, Morocco, Korea, Egypt. Such, but for the wisdom of President Wilson, might have been the fate of Mexico; and such, unless a new order is established, is bound to be the fate of Turkey, China, and Persia. There has been a relentless and cunning rivalry between the European powers over the exclusive domination of these countries. They wanted them for the investment of surplus capital, since the cheap labor they supplied made higher profits for the investor, and the commissions of the banker were very much greater. They wanted them for the exclusive privilege of lending money to, interest on foreign loans being higher than on domestic, and the banker receiving at least two profits, one as his commission, the other as the difference between the buying and the selling price of the bonds. As a rule, however, he gets many more, operating concessions, promioting railways, etc. The banker's or promoter's appropriation to himself of an enormous sum for what he calls the "Know How," in the case of the Hog Island shipyards, is an invariable phenomenon in international finance. The powers wanted the undeveloped countries as markets for home-made goods. They sought to establish in them monopolies of trade. The consequence was that the economic rivalry compelled a political and military rivalry, for the foreign policies of states are determined first of all by their foreign investments. All the powers scrambled to make monopolies for these, to establish exclusive investing, lending, and trading privileges. Regarding every one

of the countries mentioned, they set up counter claims, and made agreements equalizing their "opportunities," which they immediately tried to break.

Take Morocco, for example. There had been a conference in 1880 in which Germany had participated. That conference established a Convention declaring for equal treatment of all countries in trade with Morocco. In 1890 Germany and Morocco made a commercial treaty which secured Germany the same treatment as the most favored nations. As a result she got governmental concessions for the Krupps and the Mannesmanns in the iron mines, in harbor improvements and so on. This suited neither the French nor the English. The English interest in keeping the way to India unblocked required an "independent" Morocco. The French regarded the expansion of German enterprise there as a menace to their investments. Morocco became more than ever the subject matter of diplomatic intrigue. Finally the Sultan of Morocco invited the powers to a conference to be held at Algeciras. This was in 1906. There, the mutual rivalries resulted in a Convention assuring Morocco her territorial integrity and political independence. But this was entirely contrary to the wishes of the French bankers, who had hoped, after England had in 1903 recognized French paramountcy in Morocco, to get that country turned into a protectorate. So France began, with English backing, to exceed her powers, particularly the police powers conceded her by Spain. This made of the Algeciras Convention a scrap of paper, of the Sultan of Morocco a heavy debtor to French bankers, and of the Moroccan customs houses French pawns. The money borrowed from

France was spent on tremendous commissions to French bankers, on waste and extravagance by the Sultan, and on munitions made by French munition-makers. It gave France economic control of Morocco. She began military control by invading the country in 1907 on the pretext of punishing the murder of some Frenchman in an obscure inland town. Her army occupied Udga, just over the Algerian boundaries, and stayed there, in spite of many promises to evacuate. A fracas between whites and natives in Casablanca led to the bombardment, occupation and "policing" of that city and the district surrounding. Then France called upon the Moroccan government to pay for these operations $12,000,000 with an additional sum for losses to merchants through the bombardment of Casablanca. The Moors themselves could not stand more. They rose in revolt. The Sultan was opposed by his brother, and civil war followed. This became the occasion for forcing a new loan on the regular Sultan, Mulai Hafid. The lenders were of many nations but the French dominated. By 1910 Morocco was owing Europe $32,500,000. To secure the amount, the remaining 40 % of the customs, certain harbor dues and the tobacco monopoly were mortgaged to the bondholders. The expenses of government had to be met by tax exactions from the already overburdened people. These rebelled. Between them and the European financial octopus Mulai was helpless. He appealed to France, whose bankers had engineered his state, and in April, 1910, a French army of 30,000 occupied Fez, and the French public was fooled about the need for the occupation.[1]

[1] Cf. E. Morel: "Ten Years of Secret Diplomacy."

Thereupon the Germans sent the *Panther* to Agadir, in the interest, they claimed, of the Convention of Algeciras, which had assured the German iron supply. Then the fat was in the fire indeed. French "honor" could not permit the French to withdraw, and England stood with France. So a new deal was made by which Germany got (1911) 100,000 square miles along the Congo and Ubangi rivers. But the Germans never forgot. And the present war is the price we pay for this juggling with international agreements. The Moroccans being a barbarous people, of another breed than the whites of Europe, their treatment and fate is not so serious as would be that of Europeans, the invasion of their territory is not a breach of international law, and the agreement concerning its integrity is truly a scrap of paper.

Another case is Persia. The government of Persia has just notified the neutrals that it repudiates the Russian-English Convention of 1907. It had, to begin with, only been forced to acknowledge that Convention, and the powers that made it, made it with regard only to the predatory or defensive interests they themselves were serving. The Czarist government of Russia had always wanted Persia, and the British government had always wanted to make sure that no hostile power should get access to India *via* the Persian Gulf ports. For a long time there was jockeying for position. Finally the agreement of 1907 was made, without consulting Persia, by which Russia was not to be interfered with by the English in northern Persia, nor England by the Russians in southern Persia. These were the respective spheres of influence of the two powers. The internal affairs of the Persians and

their political independence and territorial integrity were to be safeguarded.

The Persians, however, had their own views. A democratic and religious movement had wrested a constitution from the reigning Shah in 1906. A counter-revolution by his successor, abrogating the Mejliss or popular assembly was frustrated by a nationalist uprising and the forced abdication of the Shah. The nationalists were however too inexperienced in self-government, cabinets behaved irresponsibly, ministers were corrupt, the treasury was bankrupt, and the greatest creditor was Russia with her loan guaranteed by customs receipts. If ever a nation needed and deserved proper guidance and just dealing, Persia did. The Russians would not and therefore the English could not, as they fancied, afford it, and the traditions of international honor and diplomacy compelled the other European powers to be the silent partners of the raid on Persia. The Persians turned to the complete outsider, America, and in spite of Russian obstruction secured the services of Mr. W. Morgan Shuster as treasurer-general. Mr. Shuster tried to organize the finances of Persia on a basis that would permit her to meet the expenses of government and the interest on the Russian loan. This did not satisfy Russian wishes at all. Shuster's efforts were blocked; his staff, made up of Belgians, were incited to insubordination, and his creation of a gendarmerie and appointments thereto, opposed. The head of the gendarmerie was to have been an Englishman, Major Stokes, who was prepared to give up for that purpose his post in the Indian army. But the British government notified Shuster that Stokes, being an English-

man, could not operate in the Russian sphere of influence. The notice was tantamount to denial of the independence of Persia. Then the Russians are said to have encouraged the attempt, contrary to their pledges, of the deposed ex-Shah to recover his throne, thus straining the constitutional government of Persia to the breaking point. His defeat, 1912, did not stop them. They seized the occasion of the confiscation of the estate of one of the leading rebels to manufacture a quarrel and demand an apology which the Persians, on the advice of the English, made, but which the Russians declared came too late, a second ultimatum being already on the way. This demanded the dismissal of Shuster and his assistants, the agreement to secure the consent of the Russian and British legations before engaging foreigners for the public service, and an indemnity for the expenses of the Russian troops. The Mejliss repudiated the ultimatum, but the cabinet accepted it and the Mejliss was dissolved by a *coup d'état* of the regent, December 24, 1911. The seven officials who then remained the government were the tools of Russia. England could in all this play only a preventive part, Sir Edward Grey declaring that to have made a definite agreement with Russia would have meant a real partition of Persia. Shuster left Persia, and England and Russia offered to keep the ex-Shah out of the country on a pension paid by the Persians, and to provide a loan with which to meet the pension and current expenses, — the disbursal of the loan to be supervised by the treasurer-general, subject to the approval of the legations of the two countries. In return Persia was to recognize the Anglo-Russian convention of 1907, acknowledge the rights of these

countries in their respective spheres, reorganize her armies to suit their interests, and apply the British part of the loan to restoring the southern trade routes. Loan and conditions were accepted in March, 1912. From then on concessions to both countries for railroads, mineral resources and so forth, followed each other in quick succession, and loans succeeded concessions. Russia garrisoned the country and its finances were controlled from outside. The war has upset the situation thus established, both through the Revolution in Russia and through Persian action. But Persia is no better off than before the war. Her condition and future are a serious problem.

Still another instance is China. China has for many years been the prey of the trader, concession-seeker and financier. Since 1895, she has been deprived by Russia, England, France and Germany of Manchuria, the Kwangstun Peninsula, Wei-hai-wei, Kowloon, Kwang-Chew-wan and Kiaochow. Between 1898 and 1909 she has been the disputed spoils of European banks for loans and concessions. Since 1909 she has been the subject of exploitation by a syndicate of English, German, and French banks who act as one in all loans and railway matters. American capital entered China with the agreement in 1898 of the China Development Company to raise $20,000,000 for purposes of railway construction. J. P. Morgan & Co. became the owners of more than half the shares of the stock in this company. By 1910, other contractual promises had made it inevitable that the company should be admitted into the International Syndicate. After the Chinese revolution, Japan and

Russia forced their way in. Together these financiers constituted the "six-power group" for the exploitation of China.

After the Revolution, China's economic organization was in complete disorder. She had no money for administrative purposes or interest on loans, or indemnities. She needed complete reorganization and a sum of about $30,000,000 to effect the reorganization with. Now the "six-power group" had established a total monopoly over the borrowing of China. They had agreed to act only by common consent, and to keep independent lenders out.

For her 30 million they insisted, in 1912, that China should take 300 million. The loan was to be guaranteed by the national salt monopoly and the administration of that and the expenditure of the money lent were to be placed under European control — that is, China was to take the initial step toward the surrender of her political independence. It is for this reason that President Wilson (1913) demanded the withdrawal of the American firm from the Syndicate. The Chinese government itself tried to get money elsewhere. It did get trivial amounts from English and German houses, but the English foreign office strenuously opposed the attempt of C. Birch Crisp & Company, of London, to raise a Chinese loan of $50,000,000. These efforts of the Chinese led the Syndicate to reduce the sum forced on China to 125 million. The conditions were modified so that the expenditures were to be controlled by a Chinese commission with European advisers and that the salt monopoly was to be administered by the Chinese government through the agency of a European in its employ. On September

29, 1913, Great Britain announced her withdrawal from the five-power group. But the autonomy and future of China still remains an unsettled question. Both China and Persia are confronted with the fate of Morocco, and the problems inherent in the financial and political condition of Turkey and Mexico and many South American republics are of the same kind. The Bagdad Railway and the oil wells of Mexico present definitive items of international interest in the despoilation of undeveloped peoples and lands.

Turkey's present situation is especially intriguing.

Of all the discordant undeveloped countries which have provoked Europe into a "concert" about their fate, Turkey is the foremost. The large dominion which the Turkish government held over Christians was a cause, the government's incompetence was a cause, the interests of England on the defensive against the encroaching interests of Germany and Russia were a cause. The existence of Turkey compelled a kind of internationalism of which "the balance of power" was perhaps the happiest expression. Turkey was the "sick man" of Europe and Europe allowed him neither to die nor to get well. The reason lay in both the geographical position and the economic potentialities of Asiatic Turkey. Syria is the link between India and Egypt. A strong power possessing Syria would be in a position to strike at either or both of these great English dominions. For this reason the English held it necessary that the sovereignty of Turkey should not be impaired, and that such interests as operated in Syria should be friendly to the English. When Germany began to concern herself about her "place

in the sun" all the easily available places outside of Central Africa were already taken up. She had to crowd in where she could. Turkey was particularly convenient for her. The investments of her bankers in Turkey were the point of departure for the vision and policy of *Mittel Europa*. It being her habit of mind to convert historic accidents into intentions and chances into programs, she developed these investments into a policy of friendship for Turkey,—a friendship identical with "economic penetration." She encouraged both pan-Islamism and pan-Turanianism, and the Kaiser proclaimed himself protector, if not commander, of the faithful. Her greatest pickings in the early stages of the game were the Bagdad Railway concessions, made to financial allies of the *Deutsche Bank*. Because the German government refrained from participating in the diversion of Crete from Turkey, these concessions were extended to Koweit. They carried with them mileage guarantees of about five million a year, a gift of land extending 12 miles on either side of a railroad 1500 miles long, and harbor privileges at the road termini. The road was to connect with Damascus and Alexandretta, and it was so laid out as to keep it fairly safe from possible attack by Russia from the northeast and to make it a menace to Egypt in the northwest. In a word, though its economic significance was considerable, its strategic significance was far greater. Had the English not blocked its extension to the Persian gulf by means of a treaty with the Sheikh of Koweit, southeast of Bagdad, Germany would have been in a position to menace India also. The English blockade was not, however, the only fly in this quintessential ointment of

Mittel Europa. Germany herself was far from the point of domestic development which could yield the necessary surplus of capital for foreign investment. To carry out the enterprise, the German entrepreneurs had to use non-German capital and non-German financiers had been insisting anyhow on a share in the pickings. Thus, in spite of the protests of the French government, the French bankers put into the road 30 to 40 per cent of the total capital invested. Indeed, Syria had been for a long time a field of French investment. The French government was the protector of the Christians of northern Syria; French missions, French schools, the French language were general there, and French money was plentiful and active. Between 1901 and 1905 France had invested in Turkey 2 billions as against Germany's 500 millions. The difference was that the French investments were just investments and not economic items in a carefully-planned program of military imperialism.

The war was made the occasion for completing the list of these items. German capital acquired by "purchase" all the railroads in Asia Minor and carried out much new construction. It acquired concessions of the coal mines at Rodosto, of the copper mines at Arghana Maden, and innumerable mining concessions elsewhere. It acquired control of the beet-industry and of the irrigation works at Konia. It established the first claim on all foodstuffs. It has, with the connivance of the government, secured these natural resources for itself by bankrupting Turkey in a financial operation as smooth and as nefarious as any on record. The actual executive under the Turkish minister of finance is a German. Under his direction the ministry

has secured a law which makes the hoarding of gold a penal offense. It has called in all the bullion — gold and silver and copper. It has substituted paper for metal. In 1916 it deposited with the controllers of the Ottoman National Debt German imperial bills of £T30,000,000 and issued German paper money of like amount. Thus German notes were put into circulation, redeemable to Germany in gold, which is the standard currency. The German notes are thus gold certificates, and must circulate. Quite to insure their circulation a series of banks, agrarian and otherwise, were organized throughout the Empire by Dr. Kautz. Other loans followed this one: a loan after the failure of the Gallipoli campaign, a loan to pay Germans their interest, to pay Krupp for military supplies, to pay other ironmongers for agricultural implements and so on. Also these loans were made in paper, and also at par value. But as the financial situation became more stringent the paper was called in and deposited as guarantee for a fresh issue of paper. That the values of all the paper should inevitably depreciate was obvious. The Turkish gold pound soon became worth 280 and more piastres. Some fifteen months ago Turkey had received from Germany in the vicinity of 725 million dollars in paper which she was to repay in gold, with interest of course, and at par.

The Germans knew, and it is doubtful if their Turkish agents who are the government of Turkey did not know, that Turkey could never do this. The arrangement, if allowed to stand, puts the people and resources of Turkey absolutely in the hands of the Germans, no matter how the war comes out. To

insure it still further the Germanification of the Turkish people has been carried on apace. The Turkish army is German-trained and German-led. The Turkish boy-scouts are German-trained and German-led. There were German centres of occupation with German troops in separate barracks all over the Empire. There was the "Pasha formation" commanded by Baron Kress von Kressenstein, with German officers, non-commissioned officers and privates, all in German uniforms, and not recorded among the fighting troops. The education of the Turks is receiving a German twist. The German language has been made compulsory in Turkish schools. Germans are operating in Constantinople a school for the study of German and their government has arranged for the trade-education in Germany of thousands of Turks. Law has been Teutonized, for German legal reforms replace the Turkish Sheriat.

Now this development contains, in and by itself, little harm and much good. What renders it sinister and nefarious is the cold-blooded betrayal and exploitation of an ally. The Germans are aware of the ambitions and interests of Turkish nationalism and they are aware that *Mittel Europa* and all its works are in explicit contradiction to it. Their policy appears to be to use it until it has served their purpose and then to crush it. They have encouraged the Turks in their dreams of Pan-Turanianism, in their fanciful Turkish Irredentism, in their warfare upon Armenians, Arabs, Greeks and Jews. Pan-Turanianism is a hysterical imitation of Pan-Germanism. Its beginnings were innocent enough, for its beginnings were the political liberalism of French revolutionary

philosophy, refracted in the minds of the "Young Turks" who made up the Committee of Union and Progress. Responsibility seemed however to dispel the commonsense of that philosophy; German infection has substituted for it first pan-Islamism; and the Balkan war, pan-Turanianism. That war deprived the Turks of their dominion in Europe. Their future was thrown into Asia, and the vision thereof was what Tekin Alp, the oriental Jewish spokesman of the pan-Turk movement, calls "Turania, the ideal country of the future." But such a Turania had to be created, body and soul. The Osmanli Turks were in the beginning a military horde conquering and then misgoverning an ancient area of civilization. Later they developed, by the method which created the Janizzaries, into a bastard stock, having little or nothing in common with the real breed of Turks of Anatolia. They took everything from the land, they brought nothing to it. Their religion, language and culture were acquired from the Arabs and other Moslems, their political system from the ancient empire of Constantine, their dominion from a diversified people among whom they were a minority, and a divided minority, for there are at least three distinct Turkish languages and ethnic types. They constituted at the beginning and still constitute an armed camp amid an alien population — a population of Maronites, Druses, Yemnites, Jacobite Christians, Bedouins, — all called "Arabs," — Bosniaks, Pomaks, Albanians, Circassians, Algerians, Tripolitans, Tchetchens, Kurds, Greeks, Arabs, Armenians and Jews. The last three types are the most progressive and economically and culturally both dominant and promising. To destroy their

influence or them would leave the field free for Germany and adjust the balance of population and power in the actual life of Turkey. Hence German encouragement of the "Ottomanization" of speech, literature, and culture of the subject populations, and of the whole nationalistic movement of which two persons — Tekin Alp and Ziya Bey — of alien race are the loudest voices. Hence the proved German connivance in the planned extermination of non-Turkish races — executed upon the Armenians and only prevented by circumstances from execution upon the Jews, Greeks and Arabs. Would Germany stay her hand from Turks when she thought the time right?

It is this record and situation which underlies President Wilson's declaration to Congress on January 8, 1918, that one of the fourteen conditions of peace must be the liberation and autonomy of the subject-peoples of Turkey, but also the equal freedom for self-determination of the Turks themselves. But how is this to be achieved, in view of German mortgage upon Turkey, of the economic rivalry between Germany and France, in Syria? How is this to be achieved in view of the English occupation of Mesopotamia and Palestine? How is it to be achieved in view of the fact that the unhappy and barbarous Turkish peasants and nomads of Anatolia are no less the victims of the Osmanli government then the Arabs and Greeks and Jews? How is this to be achieved in view of the diversified racial stocks and rivalries of the subject peoples? Is Syria to be subdivided on the lines of a nefarious secret treaty between the English and the French and with perhaps a chance for the Germans? Are the Osmanlis to be permitted to exploit the

Anatolian Turks? Who is to bear the burden of paying for the enormous German financial theft?

Clearly, if, as President Wilson insists, the interest of the *peoples* concerned have a prior claim on the attention of those who will readjust the world, the solution of the Turkish problem cannot be stated in terms of the old order at all.

Clearly, the way out of the Turkish as of the other problems is the pooling of all the conflicting interests of civilized finance with the interests of the uncivilized peoples on the middle ground of justice and fair play. It is obviously to the interest of the Chinese and the Ottomans and the Persians that their countries should be opened up and their resources developed. It is to the interest of the peasant investors of France and the small capitalists of England, Germany and the United States that this should be done. But it is not to their interest that it should be done on the basis of financial rivalries, demanding as insurance the enormous armaments which eat up their profits in taxes, in the diplomatic establishments, demanding more taxes, and in the recurrent wars, which wipe out their profits. It is not to their interest that the development of the homeland should become stationary, which means in effect, decadent (as was the case with England and France, prior to the war) because it could not meet the competition of higher profits from investment abroad. It is certainly not to the interest of European labor that the higher profits should be due to the cheapness of life and labor in China and in India, and that its own advancement should be retarded by the investment of its fellow European's money in the backwardness of Asia and Africa. Nor can this

backwardness be to the interest of the trader whose prosperity varies directly with the prosperity of the customer. The only class that gains by this situation is the financial middleman, the banker. To the investor whose money he uses he pays only a fixed and limited rate of interest. Commissions, rebates, the earnings of promotion, the fruits of all the devices by which the financier plunders the investor, go into his own pockets. He pays least toward the military insurance of his operations and gets most out of it.

Now an *International Commission on Undeveloped Countries* would secure the essentials of justice and fair play. Its duties should be to define the principles of financial operations and control in such countries. It should replace the embassies and chancellories of the different countries in the dealings of finance with its charges. It should be made directly responsible to the International Council for the development of the peoples and resources of lands entrusted to its care. With the utmost regard for the political integrity and the democratic growth of its charges in self-government, it should fix rules for this development, establish rates of interests on loans, determine their size and limit profits. It should have power to license and to revoke the license of undertakings. Each undertaker should deal with the commission as an individual, regardless of nationality. Each should have precisely the same privileges of undertaking as any other individual, no more, no less. Each should have the same obligations. Toward the peoples and governments of these countries, the commission should have every responsibility of protection and guidance. Its powers should be extensive enough to embrace aid

in the establishment of democratic political institutions, modern education and sanitation, and all other instrumentalities which in the course of time would enable the countries to dispense with its guidance.

THE INTERNATIONAL COMMISSION ON EDUCATION

Among the many unprecedented operations of the war, not the least significant is propaganda. Indeed, propaganda has been a fundamental arm of battle. Its existence and use alone attest the spread of democracy, the importance that public opinion has assumed in the eyes even of those who despise the masses of men. For the economic interdependence of states renders imperative the retention of good-will as an asset for peace times. And the elevation and depression of emotion are the foundations of morale on which rest the strength to fight and to endure of armies and states. Propaganda is a net cast for both these goods. Beginning in Germany, it spread to the whole world. Today there is not an embattled country which has not its Bureau of Public Information.

Now the chief asset of propaganda is ignorance and its greatest effects come when it is single and without rivals. The Germans realized this long before the beginning of the war. They taught at home and abroad a false history which converted accident into purpose, climatic pigmentation into racial superiority and the afflatus of sentimentality into the force of will. That self-analysis and frank criticism, so diversely characteristic of the English and the French minds, they altogether lacked. Nor did the government permit them to achieve it. The schools, the theatres and the book shops were dominated by an unreflective

self-adulation of monstrous solemnity,[1] an egotism cultivated by the government with malice aforethought and its academic expressions rewarded as few humaner things. From Hegel to Houston Chamberlain the story was the same. German government, German Kaiser, German philosophy, German art, German industry, German science, even German aristocracy and German poetry were superlative, unique. For their habitation, which is the Fatherland, their ensemble, which is Kultur, and their incarnation, which is the Kaiser, Germans must die freely and gladly.

The world took all this pretty nearly at the German valuation. Americans admired, Englishmen feared. There was a core of solidity from which trailed the colossal tail of this comet of national vanity flaming in the skies of civilization. But just what it was, how it arose, whether it was durable, nobody took the pains to examine. War shocked admiration into horror and fear into combat, and opinion turned itself inside out, making of the comet's tail of a German ego a thing as black and foul as it had been bright. But again, very little was done, nor under the conditions of war, could more than very little be done, to get at the realities without which opinion goes shipwreck. The fight which German propaganda conducted against the disgust and repulsion that German conduct had aroused would have been a losing fight even had its weapon been the truth, but with a weapon all lies, what chance had it save to deepen the chasm between Germany and mankind? For a lie, given time enough, is self-defeating. Truth outlasts it, and sooner or

[1] *Cf.* Archer: Gems of German Thought. Bang: Hurrah and Hallelujah.

later is found out. The extreme superiority that English and American propagandas have over German is not their skill but their veracity. They have carried conviction even in a country where they are so badly handicapped as in Spain by the sheer weight of fact.

Now the creation of elaborate and costly agencies for spreading the ordinary information about oneself during war times argues a defect in peace-time education which is general enough. Had the German people not been systematically deceived by their government about themselves and their neighbors, had the narrow and class-limited education of the people of England, of France, of the United States been more extensive in scope and range, the ignorance, the misunderstanding, the prejudice and the errors of judgment as between these peoples might have been avoided, and so, by a very remote perhaps, war prevented. But the kind of education that makes for the "international mind" is everywhere the privilege of a negligibly small number of the upper class. Its effects do not percolate from them to the masses or if they do, get refracted out of all proper perspective and verisimilitude. To secure a correct and widespread understanding of a neighboring state, the knowledge of that state's body and soul must be quickly acquired by a mass of men and women large enough to infuse public opinion merely by being there. This is what Rhodes had in mind in the creation of the totally inadequate Rhodes scholarships. This is what underlay, among the guileless, the elaboration of exchange professorships and scholarships between country and country in the decade prior to the war. This is what has been in process in the arrangements for

the exchange of pupils and teachers as between Germany and Turkey, and as between France and England and the United States. This is what must underlie the educational program of the period of reconstruction, when the millions of our young men — of the young men of democracy, all ours — are to be returned to the normalities of life: the creation in them of an "international mind" by direct contact and study with the peoples of Europe. For the perpetuation of this large scale exchange of knowledge an international machinery is necessary. The control of this machinery should be the Commission on International Education. For education is the most important of all the instruments of internationality, the foundation and cement of international organization. Ignorance has withheld the League of Nations until war compelled it to come forth. Knowledge will maintain it in being, against all the special interests whose good may lie in its destruction.

"Take care of education, Plato makes Socrates say in the 'Republic,' and education will take care of everything else. Internationally, education must rest on two principles: one, that it must be autonomous; the other, that it must be unprejudiced.

"Regarding the first: We have already seen how, in the case of Germany, the state's control of education laid the foundation for the present war. The school served the state's vested interest in the school as, formerly, it had served that of the Church. From the dark ages to the present day the Church had held a vested interest in the school, an interest from which events have more or less freed the latter but which still makes itself felt. With the rise of private educa-

tional institutions or the secularization of theological ones — such as Harvard or Yale or Princeton — with the elaboration of the public school systems of the different states of this country or any other, the powers of the government, visible or invisible, have determined largely what should and what should not be taught, what is true and what is false, always from the point of view of the interests of these powers. Heresy has been consistently persecuted, with means varying from the *auto-da-fe* of the Church to the more delicate tools of contemporary university trustees or school committees. Heresy consists of that which is not in accord with the interests or prejudices of the ruling power.

"Now the art of education involves three elements: First, its theme — the growing child, whose creative spontaneities are to be encouraged, whose capacities for service and happiness are to be actualized, intensified, and perfected. Second, the investigator and inventor or artist who discovers or makes the material and machinery which are the conditions of the child's life and growth, which liberate or repress these. Third, the teacher who transmits to the child the knowledge of the nature and use of these things, drawing out its powers and enhancing its vitality by means of them. Obviously, to the last two, to the discoverers and creators of knowledge, and to its transmitters and distributors, to these and to no one else beside, belongs the control of education. It is as absurd that any but teachers and investigators should govern the art of education as that any but medical practitioners and investigators should govern the art of medicine. International law would best abolish the existing external control by making the communities of edu-

cators everywhere autonomous bodies, vigorously co-operative in an international union. Within this union the freest possible movement of teachers and pupils should be provided for by way of exchanges or both between all nationalities to the end of attaining the acme of free trade in habits and theories of life, in letters, and in methods.

"Regarding the second principle of internationalized education — that it must be unprejudiced: This requires the systematic internationalization of certain subject matters. In the end, of course, all subject matters get internationalized. The process is, however, too slow and too dangerous with respect to some of these, history being the most flagrant. Compare any collection of history text-books with any similar collection in physics, for example, and you will find the latter possessed of a unanimity never to be attained in the former. Why? Because every hypothesis in physics is immediately tested in a thousand laboratories and the final conclusion is the result of the collective enterprise of all sorts and conditions of physicists. In the writing of history such cooperative verification never occurs. Most histories, particularly those put into the hands of children, utter vested interests, not scientifically tested results; they utter sectarian or national vanity, class privilege, class resentment, and so on. Compare any English history of the American revolution with any American history. Fancy the wide divergence of assertion between friends and enemies in the matter of German atrocities. Naturally, the interpretation of historic 'fact' must and should vary with the interpreter, but the designation of the same 'fact' should clearly be identical for all inter-

preters. To keep education unprejudiced requires therefore the objective designation of historic fact — 'historic' to mean the recorded enterprise of all departments of human life. The 'facts' of history should be tested by an international commission. So the second function of education is served." [1]

A number of international educational organizations already exist. And there is an international history commission of some sort. It would be the function of the *International Commission on Education* to coordinate and to integrate the work of all such organizations in accordance with a careful and well-considered program for the freest possible movement of teachers and students of all nationalities and of all stations between the different states and schools of the world. Its work might be begun with the international army in France, redistributing English, French, Italians, Americans, Poles, Russians, Czecho-Slovaks, and Germans to schools and countries not their own, there to teach and to learn the mind of the national neighbor.

THE INTERNATIONAL COMMISSION ON HYGIENE

The growing number of international organizations devoted to the study and development of one branch or another of the science and art of medicine is a sign of the recognition among those competent of the interdependence of the health conditions of the various parts of the world. These organizations are sporadic and voluntary, the fruits of uncoordinated interests and needs, and usually organized on too impecunious a basis to be able to undertake large enterprises under

[1] H. M. Kallen: "The Structure of Lasting Peace," pp. 172–176 inc.

a systematic program of international cooperation. The problems of health which have come with the industrial reorganization of the world's economy are now essentially the same at home and essentially the same abroad. They are problems arising out of disease due to industry and its conditions — out of the diseases of mines and of factories, and their solution requires a common program of investigation and experiment. The problems of health which have come with the growth and swiftness of communication — the problems of infection and quarantine — are even more international. A uniform standard of tests and practices is desirable. Perhaps the outstanding obstacle in making undeveloped or savage countries habitable and fruitful is the menace to the health of men that infests them. The study and elimination of the causes of tropical diseases is of prime international concern, because the opening up of the tropics for the widest possible uses of man is a vital interest of all nations. There exists an International Commission for Tropical Medicine, just as there exists a Universal Sanitary Union, but the program and operations of all these organizations ought to be coordinated, the problems subdivided, the work distributed regionally and otherwise, and the whole enterprise properly financed. The enterprise, in a word, should be an organized activity of international government. It should be put into the hands of an International Commission on Hygiene which should be charged with jurisdiction over all matters involving international interests in the prevention and cure of disease, the sanitation of areas of the world's surface and so on. Such a commission would be nothing new. It would

merely coordinate and impart unity of purpose, force and direction to enterprises already going on, and desiring just this change. These enterprises — all the international medical congresses, commissions and associations — it would either take over or cooperate with. It would put behind the natural internationalism of science the force of the League of Nations.

THE INTERNATIONAL COMMISSION ON CONDITIONS OF LABOR

The dislocation of industry by war has eventuated, in England at least, in a revolution in the position and attitude of labor. In many respects the class-war has given way to class-cooperation, and both the parliamentary acceptance of the Whitley report and the spontaneous action of a number of employers have brought England closer in many ways to an organized industrial democracy than any other country in the world. The changes have not been, considering the pace of the war, rapid or orderly, coming as they have come, as results of struggle and compromise, but they are all the more likely to be deep-rooted and lasting for that. And the development of the new Labor Party, named for its ideals rather than its constituency, promises a still greater modicum of organized democracy in industrial life. This democracy is implicit and overt in the program and aspirations of the English people, and its future is as secure as the future of such a thing can be. In the United States the case is the reverse. Not only is labor organization much more primitive, more poorly integrated, trained and led, it is essentially illiberal. It has done very little toward the winning of industrial democracy, and all the impor-

tant advances in labor standards, in the establishment of the eight-hour law, the rules and devices of safety and sanitation, the advances in wages, in the control of unemployment, and in the general protection of the worker against exploitation and oppression, are the results of executive order. They do not lie deep in the will and program of the people of the United States as things fought for and won do. In fact, it is not false to say that the whole country is liberal by executive order; that it is passively, not passionately and militantly liberal, and that a change in the Administration might be followed by a very serious change in the attitude and temper of the American people. It would be going too far afield to go into the reasons for this, to discuss the relation between economic resources, population, and the fluidity and instability of social classes. For the purpose in hand it is enough to register the fact, a fact which must be taken into consideration in determining the relation of international organization to the labor of the world.

For the labor of the world, it cannot be too often repeated, has most at stake in the outcome of the war. It has most to win and most to lose. It has given most and suffered most. Unless it is united in its purposes and explicit in its demands, it may have to surrender most. Reconstruction and demobilization may destroy all its winnings, everywhere. In Europe this is well-recognized. "It cannot but be anticipated," says the Memorandum on War Aims adopted at the Inter-Allied Labor and Socialist Conference in London, "that, in all countries the dislocation of industry attendant on peace, the instant discharge of millions of munition makers and workers in war-

trades, and the demobilization of millions of soldiers, — in the face of the scarcity of industrial capital, the shortage of raw materials, and the insecurity of commercial enterprise — will, unless prompt and energetic action be taken by the several governments, plunge a large part of the wage-earning population into all the miseries of unemployment more or less prolonged. In view of the fact that widespread unemployment in any country, like a famine, is an injury not to that country alone, but impoverishes also the rest of the world, the Conference holds that it is the duty of every government to take immediate action, not merely to relieve the unemployed, when unemployment has set in, but actually, so far as may be practicable, to prevent the occurrence of unemployment." And it urges labor organizations to press upon their governments the preparation of plans for the execution of public works which will keep the annual demand for labor level from year to year and thus prevent unemployment.

That much can be done in this way, there is no doubt. But that any actual prevention of mass-misery on a large scale can be so prevented seems very doubtful. Wages and standards make a difference, and as between Europe and America the migratory character of labor, particularly of unskilled labor, becomes more and more definitive every year. Prior to the war the annual flood and ebb of Russian laborers in Germany amounted to hundreds of thousands, and the migration of labor to and from the United States, to millions. The employer's interest in cheap labor, the laborer's natural desire for high wages, both militate against the success by itself of the conference's proposal. Already manufacturers in the United States

are grumbling about the advantage of cheap labor abroad and tariff-profiteers are urging the "protection" of American industries, while the attitude of organized labor in America toward immigration has undergone no revision. In England for similar reasons protectionism has a growing party. The competition of labor with labor is itself the greatest obstacle to the effective prevention of unemployment. This requires some sort of international labor agreement, made independently of governments, but which government shall concur in, and a genuine international organization of trades-unions and other labor societies which shall guarantee the enforcement of this agreement.

But the force and purport of the agreement must go deeper. It must establish an *international minimum* below which the standard of living of the most unskilled of laborers may not be permitted to fall. This minimum cannot be measured in money-wages. It can be measured only in food, air-space, medicine, clothing, recreation, education, insurance against disease, old age and death. Its money-value would vary considerably from country to country and climate to climate. But it would equalize the disproportion in labor-cost as between, say Bombay, India, and Manchester, England, or Naples, Italy, and Lowell, Massachusetts. It would automatically regulate the migration of labor and tend as nothing else to keep its distribution level. If, further, the distribution is facilitated by international labor exchanges, the menace of labor to labor and, in consequence, the menace of labor against the employment of capital at home is completely neutralized. An international commission having these and other similar matters in charge

would need to be composed first of all of medical and sanitary experts who could designate the *international minimum* in the scientific terms of human physiology; secondly, of directly chosen representatives of the laboring men of all the nations of the world, to voice their needs and aspirations of the spirit and to watch over their interests against oppression. For the possibilities of oppression in such a commission are very great. Wherefore its membership must be both designated and chosen by labor and be directly responsible to labor. Perhaps the simplest and most effective procedure would be at the Peace Conference to constitute the Inter-Allied Labor and Socialist Conference a completely international body charged with the particular duty of choosing the international commissioners and of holding them to their responsibilities.

The whole proposal rests on the axiom that *labor is not a commodity*. Labor is not a thing that can be detached from a man and sent out into the market to be bought and sold like iron or coal or food or books or guns. Labor is so much the life of a man, that when he sells his labor he sells his life. To the security of that life, to the protection and encouragement of its spontaneities each man, of whatever race, has a right, no greater but also no less than that of his fellows. It will be the business of the International Commission on Labor so to watch over the conditions and implements of industry as to insure for labor security against oppression and freedom for self-government and self-development. Nothing short of an international minimum can provide such insurance, and it will be for the Commission to establish and maintain this minimum. By doing this it will effec-

tively hold in check the more obvious conditions of unemployment, the competition of labor with labor and the tariff-breeding sophisms of capital.

C. The Ministry of the International Council.

1. (a) *The presiding officer of the International Council, together with the presiding officers of the International Commissions and sub-Commissions, and of the International Court, shall compose the Ministry of the International Council.*

(b) *The presiding officer of the International Council shall also be the presiding officer of its ministry.*

2. *The Ministry of the International Council shall be charged with such executive powers as may be delegated to them by the International Council.*

Primarily the function of the International Ministry would be to act as a coordinative and clearing agency for the operation of the various international councils, courts, and commissions. Deriving its special ministerial powers from the International Council, yet being composed of the heads of the various international courts and commissions, it would form the connecting link between the administrative and legislative agencies of international regulation, serve to keep the work of the commissions under the constant check and survey of the International Council, and the Council aware of the conditions of administration confronting the commissions. It would probably recommend legislation and formulate policies.

There may be some doubt as to just what commission-heads should be included in it. Certainly the heads of all the major commissions — Armament, Commerce,

Education, Finance, Hygiene, Labor. Very probably the heads of the Commissions on Central Africa and Undeveloped Countries. But all of the subcommissions of the commission on International Commerce are of fundamental importance, and places for their heads in the International Ministry are probably indispensable necessities. The American War Council, designed to coordinate analogous agencies and meeting with the President every Wednesday, is composed of the Secretary of the Treasury, the Director-General of Railroads, the Secretary of War, the Secretary of the Navy, the Food Administrator, the Fuel Administrator the chairmen of the War Trade Board, the Shipping Board, and the War Industries Board. The necessities of coordination will hardly fail to make desirable an analogous constitution for the International Ministry. It would consist, then, of the president of the International Council, the chairmen of the major commissions and the chairmen of the subcommissions on raw materials, food, fuel, waterways, highways, airways, shipping, post, telegraph and telephone.

Another debatable point in the constitution of the International Ministry is its presidency. It seems desirable that the president of the International Council should be president of the Ministry because in this way the linking of the legislative and executive functions of international organization is most easily to be effected. The League of Nations will have to be without an executive head as such. In so far as it has one, that one will be the International Ministry. If the president of the Ministry and the president of the International Council are one, and his powers are limited to the presiding functions, such dangers of

Cæsarism as there might be will be entirely obviated, and the advantages of a personal symbol for the unity of the world attained. The value of such a symbol for the concretion of an extensive and indefinite operation is of course obvious. America is Wilson; France, Poincaré; England is George; Germany, Wilhelm. The whole stupendous operation of which these countries consist is realized and rendered dramatic in the personification, while the symbolic personage himself may be as impotent as Czar Nicholas.

The members of the Ministry will of course have seats in the International Council, but save in the case of the president, without voting power.

D. The International Court.

1. *An International Court shall be established with jurisdiction over all disputes between members of the League or between governments and peoples or other organizations within any state in the League.*

2. *All disputes among the constituent States of the League or any groups therein shall be held justiciable.*

3. *Non-members of the League shall be free to avail themselves of the services of the court on the same terms as members. Disputes designated by them as non-justiciable may be referred for settlement to the International Council or to agencies of conciliation created by it for the purpose.*

4. (a) *The number of judges in the International Court shall be 25. They shall be elected by the International Council from nominations submitted by the popular branches of the legislatures in the respective States of the League.*

(b) *They shall serve for a term of seven years.*

5. *The rules prescribing the organization of the Court shall be drawn by the International Council. The Court shall elect its own officers.*

6. *Appeals from the decision of the International Court or any of its branches may be taken to the International Council, which shall determine what matters coming before the Court are open to appeal.*

The idea of an International Court has long been considered practicable. The difficulties of maintaining merely a Court lie chiefly in the fact that its functions are entirely remedial. It cannot obviate or prevent disputes. It can only deal with disputes after they have arisen. And after it has passed on them it cannot, without a centralized police agency, enforce its decisions. The Permanent Court at the Hague has consequently been of little value in the settlement of material disputes between the great powers, and no additions to it or elaborations of it are likely to enhance this value. For the purposes of effective international organization a Court can be only a supplementary agency, designed to remedy those troubles which have not been or cannot be prevented. Its operation can be effective only in connection with and in supplement of express legislative and executive functions.

With this understood, the organization of the Court and the division of its labor, its subdivision into separate groups with specialized responsibilities may be left to the members of the Court themselves. The one thing that must be clear is that under the law a distinction between justiciable and non-justiciable causes may not be admitted. The distinction is a survival from barbarous times and its manifestation in private life, usually as the "unwritten law" of the

punishment of sexual irregularities, by whites or blacks, is invariably in violation of the law of the land. In backward countries like Germany, where it has a sanction, it is associated with the feudal idea of "honor" and is used to require and to justify the duel. As between states, it rests on the conception of "vital interests" as well as "honor." But there is no "vital interest" of one state which at the same time does not affect the "vital interest" of some other. And it is precisely this fact which makes a single law and a single rule of justice and decency for the adjudication of the conflicting interests of states imperative. A state's total vital interest is not conserved or helped even by victorious warfare, as the pre-war condition of both Germany and Austria-Hungary, France, and Serbia show. Disputes are as justiciable as people think they are, and the signatory members of a League of Nations must agree that all disputes are justiciable. This agreement is the more necessary because it will abolish the validity of the last resort of the patrioteer and interest-monger — "honor." Honor, more than any other international superstition, rests on the opinion of the other fellow. The dishonor of not keeping an international pledge should become more efficacious in safeguarding "honor" than the possible indignity it might suffer by withdrawing from an iniquitous position such as the French took up in Morocco, the Germans in China or the English in Egypt. "National honor" will not suffer by the rule which makes all disputes justiciable. "National honor" will only thereby be rendered more responsive to the actual conditions and character of honorable conduct among men and states.

With states that are not members of the League the situation is slightly different, just as it is different in private matters with Australian blackfellows and African bushmen. But to create for this type of difference, as is proposed in certain quarters, a special permanent agency like a court of conciliation, is to admit it to an unwarranted equality with lawful and civilized international being and to assume that there will always be states not members of the League. Neither admission nor assumption should be conceded, least of all in the constitution for a League of Nations. Whenever "councils of concilation" are needed, they may be created *ad hoc* and only so.

An alternative to their creation would be to allow for a judgment by the International Court which should establish the facts and the rights in a case, and recommend, but not order, action. Each recommendation would have enormous weight with public opinion where non-members of the League are concerned, and among members would tend to have mandatory force. A vote of the International Council would, of course, give it to them outright, but if the issue were important enough, a referendum on this decision could be called for. Freedom to appeal on all matters of fundamental importance from the decisions of the Court to the Council, and of the Council by referendum to the constituent states, renders the fear of oppression purely metaphysical and secures completely the "honor" of a litigant state. For any nation, even Germany, can rely on the fact that what the majority of the world decides about its "honor" *is* its "honor" — or dishonor. The will of the world is equally determinative in other types of so-called non-justiciable issues — new legisla-

tion, for example, affecting "vital interests" — and it is far more humane and cheaper to get the world to express its will by a vote than by a war. Freedom of appeal secures this end to the ultimate degree. Only madness could, under such circumstances, seek the appeal to war.

What the number of the judges in the International Court should be is an open question. The favorite number falls between nine and sixteen. Twenty-five is proposed in view of the probable division of labor the court is likely to be called upon to establish, and the need of having sufficient man-power even for the Olympian judicial enterprise. It is more dangerous to have too few judges than too many.

The choice of the judges is a far more serious matter. Certain proposals aim to confine the selection from among Americans, Englishmen, Frenchmen, Germans. This is neither just nor democratic nor effective. A Chinaman may make as excellent an international judge as an American, and a Hindu as an Englishman. A wiser procedure is to allow the popular legislature of each state to make two or one or three nominations (the legislatures need not confine their nominations to the citizens of their own states) to the International Council. The Council may then elect the necessary number from the nominees. The vote ought perhaps to be proportional, so as to insure judges actually representing a majority of the voting power. In this way invidious distinctions and the disgrace of exclusion from full participation in international responsibilities will be eliminated as a factor in international relations at this point at least.

Concerning the term of service of the judges there

ought not to be much disagreement. "During good behavior" is an effective formula where there is complete unity of sentiment and no fear of oppression. A limited service constitutes a check on the conduct of an official and a safeguard against exploitation at his hands. All international officials ought to serve for only short periods and perhaps be ineligible to reelection. Seven years for judges is a long time and if they are eligible to renomination and reelection, both continuity of the Court's operations and control of them are safeguarded. The natural arrangement at the beginning would be to have the five getting the highest number of votes serve the full seven years, the five getting the next highest to serve six years; the next five, five years; the next, four; the next, three. At the end of three years the Council would elect five new judges for seven years, and so every year thereafter.

V. THE COMPENSATION OF INTERNATIONAL OFFICERS

The International Council shall have power to fix and to pay the salaries of its own members, of the judges of the International Court, of the members of the International Commissions, their agents and subordinates, and of all other officers and servants of the League of Nations.

This article needs no discussion, beyond the remark that the suggestion, current in some circles, that officers of the League of Nations be paid by the states of their origin is to put upon such officers a gratuitous dependence on these states that can have only disturbing, if not disastrous, consequences to any international system the officers might be called upon to serve.

The officers of the League of Nations must be officers of the League of Nations, paid by it, and committed to its exclusive service.

VI. RELATIONS OF INTERNATIONAL OFFICERS TO CONSTITUENT STATES AND TO THE LEAGUE OF NATIONS

1. *No officer of the League of Nations shall hold any national office, political, military, social or civil while in the service of the League.*

2. *No officer of the League of Nations shall, while in the service of the League, or for five years thereafter, accept any title, honor, or emolument or other mark of distinction or favor from the government or people of any state whether in the League or not.*

3. *Negligence of public duty shall be ground for the impeachment and removal of international officers. The accused shall have a fair trial before the International Council and two thirds of the vote of the whole council shall be necessary for impeachment.*

This section is intended, like Section V, to safeguard the League from undue influence of any constituent State through its officers. The officers of the League must be, as tradition declares the judges of the Supreme Court of the United States to be, free from all interests and connections that might bias them or interfere with the proper discharge of their duties. Their interest and allegiance must reside as nearly as possible in the League of Nations alone.

VII. THE ENFORCEMENT OF INTERNATIONAL DECREES

A. *Except in cases where appeals may be taken or a referendum is called for, failure to carry out the decrees of*

the International Council, its Commissions or its Courts shall be regarded as a declaration of war upon the League.

B. *The economic and military resources of the constituent states of the League shall be at the disposal of the International Council for the enforcement of its decrees or those of the International Commissions and Court.*

C. *Decrees may be enforced or their violation punished by any action within the competency of the International Council, Commission or Court.*

It might as well be declared at the outset and clearly recognized that the sanction of international government, far more than the sanction of government of any other order, must lie in the consent of the governed. Although, in view of the manifold tyrannies — political, economic, social, religious, cultural — which oppress mankind, this notion may seem a paradox, it is a truism nevertheless. The endurance of oppression is due usually either to ignorance of its causes and character, to its benevolence, to habit, or to fear or to force. Once a people *actually* wills not to endure a government, the government goes. Every revolution is an instance of this fact. What conspires to postpone revolution is the series of factors just enumerated. Now thus far, states have made treaties with one another out of only two motives — considerations of advantage and considerations of fear. The same motives have led them also to break treaties — as Germany broke the war conventions of the Hague, to which she was a signatory and the convention of the neutrality of Belgium to which she was a signatory, and as Italy broke the treaty which established the triple alliance. So far as the morality of nations goes, no more need be expected after the war than before. All the nations

of the world might bind themselves to the mildest or the most stringent of international agreements. The moment it became in the judgment of its rulers to the advantage of any one of them to break it, broken it would be, brutally as by Germany or Italy, or by hook or crook as by older and better-mannered states. One check on this kind of international behavior that might be all-sufficient would be the complete democratization, economic as well as political, of each sovereign state, the expropriation of the power that makes invisible government and the conversion of all public policy to popular control. How this may be accomplished without either revolution or a long process of time is not, however, clear. What is clear is this, that the elimination or mitigation of the more positive causes of war, even without any change in the internal conditions of states, cannot help being, on the whole, to the advantage of the masses of men. They pay the piper, no matter who calls the tune in foreign affairs, and the uses of war and of the fear of war to divert discontent and to keep an oppressive government in power are historic.

Hence, any device for keeping the peace is better than none at all. But any device, to prove effective, must rest, in its beginnings at least, on considerations of advantage and fear. Later, as education and habit make a decent international practice normal and reverend, international organization may go purely on conceptions of justice and right, but justice and right are themselves nothing more than equality of opportunity for advantage. States must be bound to the League, their consent to it must be made inevitable by the advantage even the greatest and richest

of them derive from it. What this advantage is, the organization and functions of the agencies of the League themselves show clearly. The relief that must come from the mere remission of the burdens of competitive armament itself makes the League worth while. But the organization of equitable trade relations, with the automatic assurance to each member of the League of an equitable supply of raw materials, of shipping, and of markets, will constitute the positive maintaining force of the League. Nothing has shown so clearly as the conduct of war itself that this is so. In the matter of raw materials, food, and shipping the interdependence of the world has been vindicated by its very challenge. Hence, the bulk of the police activities of the League, its handling of the recalcitrant or criminal nation, will be economic. It will be a limitation of intercourse between the offending state and the League, in any degree from an embargo on a special material to complete nonintercourse. The procedure will take the simple form of refusing a license to ship this or that to the offending state until the international requirements have been complied with. The last step would be the waging of actual war, and there is no disagreement among writers on this matter that war may be either a joint or delegated action on the part of the League. A recalcitrant Germany might need the coercion of all the powers; to reduce a Guatemala or a Venezuela to a proper sense of its duties in the family of nations, might be a duty delegated to the United States or Brazil. That any of these states might refuse to act because their "vital interests" were not involved cannot be conceded. Their vital interests are always involved. For the

last quarter of a century a war anywhere in the world promised to become a world war. And if any sort of international order whatsoever can get established the only alternative to inaction would be a return to international anarchy. In sum, if it is once conceded that the interests of all the classes of mankind, the worker, the trader, the capitalist, will on the whole be better served by a League of Nations, the sanction of the League and the enforcement of its laws are also conceded. But the advantages of a League, particularly of an economic League, are conceded even by governmental authorities and conservatives. The economic agreement of the Versailles Conference was in effect an agreement to create such a League. Its inimical intention toward Germany is on the whole irrelevant to the free and equal economic relations it hoped to maintain among the Allies. Mr. Lloyd George has recently reaffirmed both intentions. But it is a very peculiar shortsightedness which does not see that if the Allies are to gain from free and equal economic relations among each other, they stand to gain so much more from free and equal economic relations with Germany. The English Trades Unions, who have voted overwhelmingly against economic war with Germany, understand this. They remember that Germany was England's best customer. They recognize that unless the German people are exterminated, they will, no matter how complete the Allied victory over their armies, go on living after the war. They will be consumers as well as producers, and to have the wherewithal to buy, they will need to have the wherewithal to sell. Their prosperity is a condition of the prosperity of the countries that deal with them, just

as is China's or Africa's. Their needs are very much greater, and their value as customers is measured by their needs. To wage economic war upon them is to wage economic war upon ourselves, and to maintain conditions of strain and friction which must sooner or later break into another military war. Germany must be admitted into the League of Nations on the same conditions as all states. If she refuses admission she chooses extermination, but it will be upon her own head. The advantages of international economic organization are obviously reciprocal. And the sanction of organization lies basically in this reciprocity. The enforcement of international law rests ultimately upon the clear recognition of this fact by the constituent states of the League. The war organization of the Allies has rendered it conspicuous for the organization of war. Shall it be less so for the organization of peace?

VIII. THE REVENUES OF THE LEAGUE OF NATIONS

A. THE INTERNATIONAL BUDGET: 1. *The International Council shall prepare annually a budget on the basis of the costs and charges of all international agencies under its governance.*

B. LEVIES, FEES, TOLLS AND TAXES: 1. *The budget may be raised by levies on the constituent States of the League, the levies to be proportional to the voting-power of the States and*

2. *By fees, tolls and taxes on the use of international ways and other international organs and instruments.*

Perhaps nothing is so ultimately important as the determination of the taxing power of a political organization. On this power all its other powers depend.

The machine must have fuel if it is to work. The reality of taxing power itself, however, lies only in the power to collect taxes. International organization, like the American Continental Congress, may break down at just this point. It will require the utmost good-will and sincerity of governments to pay, at the outset, the levies of the international organization, no matter how just and equitable their incidence may be. The simplest way out of the initial difficulty would be to give the international organization power to tax individuals directly. In a "super-state" such power would be a matter of course, in a League of Nations it can hardly be considered, at least, during its beginnings. For levies the League will have to depend on the sincerity and good will of the constituent states. There is no reason, however, why it should not become so far as possible independent of these by means of direct fees, tolls, and taxes on traffic over international highways, and on the use of other international organs. Users will have anyhow to undergo taxation for the upkeep of those, and the taxes might be made sufficient to maintain the whole international organization. The chief difficulty with this method of taxation would be its indirectness. Indirect taxation does not conduce to that eternal vigilance which is the price of efficiency as well as of liberty. Direct taxation does. In the first years of the League its development and perfection will be particularly dependent on the interest and vigilance of the rank and file of mankind, and nothing could serve so well to keep the League within the field of their active attention as the direct payment for its maintenance. For a long time, however, other means will have to be relied on, particularly

those of publicity. The tax will compel at least the attention of those it directly affects.

IX. PUBLICITY

A. *The sittings of the International Council, the International Courts, the International Commissions and of all bodies created or delegated by these shall be public and open.*

B. *The International Council, Commissions and Courts and all their agents shall keep complete records of their proceedings. These records shall at all times be open to public scrutiny and examination.*

Whether public sittings and full records will be the safeguard that has been hoped against the powers that operate by the methods of secret diplomacy is doubtful. By themselves, they certainly would not be. Nobody will believe they would who recalls recent talk about "invisible government" in the United States, or knows anything about the methods of banks, munitions-makers and monopolists in gaining their ends at home and abroad. The press is too easy to control and public opinion too easy to manipulate. Publicity is neither a prevention nor a cure. Publicity is an insurance. It makes the account of any operation lawfully accessible for analysis and keeps open the way for challenge or accusation. It cannot prevent wrongdoing, but it makes the detection and punishment of wrongdoing easier. The traditional objections to publicity do not, of course, rest on that ground. The traditional objections to publicity rest on a distrust of the public: They are a mob, swift to passion, reluctant if not unable to think, and delicate international relations must not be negotiated under their

scrutiny if they are to be negotiated successfully. Trust the diplomatic experts who know how. The reply is obviously that we have trusted the diplomatic experts, and that they have invariably led their faithful over the precipice. At the very worst the public cannot do itself more harm than the diplomatic experts have done it. At best, its commonsense and sportsmanship, tested again and again in countries with free institutions, is security against international misunderstandings.

X. AMENDMENT OF THE INTERNATIONAL CODE

A. *Amendment of the International Code may be made by two thirds of the voting power of the League of Nations.*

B. *Amendments may be passed only by popular vote. The votes of each Constituent State of the League shall be counted for or against the amendment in accord with the majority vote of the citizens of the state.*

Most of the disputes about what shall constitute a voted decision of an international organization turn on the notion that the vote of no state shall determine the vital interests of any other. Its sovereignty is regarded as politically absolute, no matter how in fact diplomacy and economic exploitation coerce its government. It is well to bring this coercion out into the open, to control and order it in lawful forms. In truth, the more public it is made, the more it is put under the checks and sanctions of lawful procedure, the greater the security of the dissenting states whom it commits to a course of action. When Japan coerces China, or Germany the Scandinavian states, or Austria Serbia, or the Allies coerce the neutrals, a technical wrong is done, even where a great real good is designed

or accomplished, because of the illusion of an ineluctable sovereignty. That, for the small states, this is an illusion, is freely recognized. But it is equally an illusion for the great states. It was an illusion for Germany in the Morocco incident and for Germany and England both in the incident of Venezuela. The demand for unanimous assent to all international proposals, particularly to those involving the fundamental law of nations, is conspicuous in influential quarters. Yet it is a demand based at bottom on no fact whatsoever. It is a demand based at bottom only on the unwillingness of the great states to subject their operations to the scrutiny and decision of the lesser ones, whose interests they may themselves desire to control. A League of Nations, if it is to be at all effective, cannot admit the claim involved in the position. The position is such as to render nugatory all really important international action by a rule that would work in effect like a *liberum veto*. And the synonym of the *liberum veto* in history is anarchy. In international affairs it means the maintenance of the *status quo ante*. The right rule is that of all democracies — decision by the vote of the majority, and where the fundamental law of nations is concerned, by a vote of two-thirds of the voting power represented in the International Council, if the decision is to rest with peoples. That it should rest with peoples is, of course, most desirable, and every means should be taken to place it so.

IV

SUMMARY AND CONCLUSION

The World Made Safe for Democracy

A HISTORIAN of the twenty-first century, looking upon the period between 1913 and 1918, will find in it a curious combination of military stability on the field, industrial integration at home and moral and intellectual change of front everywhere, of a swiftness unparalleled in any time. The German attack on civilization began as an embroilment in the Balkans, arousing elsewhere curiosity and cynicism. These had scarcely time to find expression when it became a rape and a felony in Belgium and an atrocity in France, arousing horror and reprobation. Behind it lay miserable economic and military rivalries, the rapine of finance in Asia and Africa, the jealousies of undertakers and monopolists in Europe. Underneath it lay secret treaties, pledging the life and the treasures of the masses of Europe for the security of alien and even inimical ends. From the point of view of the spirit of neutrality in America neither the attacker nor the attacked came clean into the combat. The force of Russia weakened the cause of Belgium and of France, and our traditional coldness toward England, to which we were educated in the history-classes of our elementary schools, did not help it. The brutality and frightfulness of Germany destroyed whatever

sympathy with her our unfortunate educational tradition evoked. Both sides sought profit from our aloofness, playing to use us to their own advantage, the Entente, honestly, out of their great need; Germany hypocritically, plotting in secret against us in our own land and among our neighbors and offering us in public the hand of friendship. To both sides we tried to present the face of a just impartiality. Peace was desirable, and to be achieved by negotiation, without victory; neutral rights were to be made secure on the high seas, even if it meant the creation of the most powerful navy in the world to do so. At the same time all sorts of disinherited peoples began to raise their heads in all the corners of the earth. The cries of Serbia and Belgium were echoed by Poland and Bohemia, by Armenia and Judea. The whole moral front of the world altered. Belgium, figure of sympathy and charity at first, became a symbol of honor and freedom. Germany changed from a marvel of efficiency into a monster of ruthlessness. When America entered the war, she entered it not merely because the German submarine had for no real advantage been used to murder American citizens in the exercise of their unquestioned rights, nor because the masters of Germany had shown themselves without faith or honor in word or deed, but because also, and most largely, in the feeling of the people of America, the Entente, the whole Entente, had become identified with the principle of fair play, of justice to the weak as well as to the strong, and Germany with its opposite. An idea of world-right had half emerged, unclear and crossed by doubts, but it gave the battle the significance of an ideal. What clarified it completely and alto-

gether, what drew the issue sharply and decisively between Germany and mankind, was the revolution in Russia. That brought the bulk of those liberals of the world who still questioned, to accept the war and its purposes; and the Revolution's challenge to the Entente to declare their peace-terms was made in a series of formulae which became the maxims and the slogans of the democratic powers. To these, on January 8, and again on February 11, and again on July 4, the President of the United States gave body and articulation, and these the workingmen of the democratic nations, through their representatives, have in conference unquestioningly accepted and endorsed. Whatever it was at the outset, the war has become a people's war such as history never before knew. The masses of the world are embattled for freedom, for justice, for the right to live, to labor and to utter their spirit in the ways and groupings most natural to their character and most appropriate to their inheritance.

To win this, means more than to win the battle. It means to use the victory as the occasion for creating the conditions and instrumentalities without which it cannot come to be. It means to assure security, freedom and equality of economic and cultural opportunities to states, nationalities and individuals. It means an organization of mankind which will pool and justly distribute the common surplus of raw materials and food; which will regulate the international ways on land and on sea and in the air; which will control armament; which will secure minorities among strong peoples and majorities of weak and undeveloped peoples against exploitation and aggression, whether economic,

military, religious, political or cultural; which will enforce the substitution of the appeal to law for the appeal to arms and which will achieve these ends by democratic instruments under democratic control. These instruments are the International Council, with its Ministry, the International Commissions on Commerce, Armament, Finance, Central Africa and Undeveloped Countries, Education, Hygiene, and Labor, and the International Court, receiving their mandates from, and responsible to, peoples rather than governments, subject to their question and answerable to their will. Together, these agencies constitute the League of Nations without which the principles of nationality and democracy and justice cannot be established nor the peace conditions which express them in specific terms be secured and rendered permanent. The League of Nations, thus, is the framework and totality of the democratic terms of peace. Its establishment is, however, neither the production of new institutions nor the violation of any real national sovereignty. To create the League of Nations is only to bring together, to vitalize, to integrate and to set in order under the control of free peoples the institutions already existing — the commissions set up at various times prior to the war, the tribunal created by the Hague conferences, the commissions on food, shipping and raw materials brought into being by the war's necessities. Permanent peace and the League of Nations so established are one and the same thing. A victory which does not win the true League of Nations is a defeat, for the League of Nations is the only insurance that democracy may have. Without it, nations must of need arm against each other,

liberalism will be faced everywhere by militarism, the free man in society will be warred against by the soldier in the state. With it, nations will arm *with* each other, the internal problems of the democratization of life will have a real chance for solution in terms appropriate to their materials and character, freedom and soldiership will tend to be at one. With it, government will be more nearly the servant and less the master of society: with it, the world, in a word, will be safer for democracy. For all that democracy means is this — the organization and use and control of the materials and machinery of the state and of society by all men for the liberation and expansion of all men's lives.

ARMAGEDDON AT THE PEACE TABLE

[POSTSCRIPT, NOVEMBER 20, 1918]

THIS study was first drafted early in September. The preface was written on October 1, and the book went to the printer soon after. Between that day and this events have moved so swiftly and the changes in the political and social complexion of continental society have become in fact and in implication so thoroughgoing as to require a somewhat further exposition of the principles here propounded and defended. The Central Empires have collapsed and with their collapse has come revolution, socialistic revolution. Their peoples have, as was foretold, set themselves free of their masters in Bulgaria, in Austria Hungary, in Germany. The masters are in flight or in exile and the present governments of these states have agreed to armistices which put it beyond their power to resume battle. The armies of the United States and of the Allies are to occupy the left bank of the Rhine, and perhaps the new states between the Central Powers and Soviet Russia. They are waging a more or less desultory and unsuccessful warfare in Siberia and in Murmansk.

That the collapse of Germany at this time was anticipated is everywhere denied. Military critics in England, France, Italy, and the United States are agreed that the German army, though defeated, was intact, and all expressed the opinion that the war

could not be finished before the spring of 1919. The German collapse caught all who are concerned, from whatever angle, about the destinies of mankind, unprepared. But particularly it caught the lovers of democracy unprepared. It rendered nugatory the demand for a preliminary and public conference of the Allies and the United States for the purpose of establishing unity of political front in the matter of peace terms. The German government's unconditional acceptance of the terms in Mr. Wilson's speech of January 8, and his subsequent speeches, particularly that of September 27, imposed a certain degree of unity from without, a unity which the President of the United States has announced and emphasized in his address to Congress on the terms of armistice, but it has also been made clear that "the freedom of the seas" as defined in the speech of January 8 has not been accepted by the Allies, and that the other thirteen have been subject to interpretation, secret interpretation and agreement. The probability of very sharp differences of opinion, of division of counsel and conflict of purpose between the democratic associates in the war against the Central Powers has, on the face of it, been obviated, but only a little. Democratic control of the representatives of the nations at the peace table, on the other hand, has been rendered impossible. The representatives will be appointed, not elected, and the men and women whose fate it will be their task to determine will have nothing to say as to who they shall be. Even the openness of the "covenants of peace" has become seriously compromised, and the rôle of the armies of the United States and the Allies in Russia and in Central Europe

are a matter of concern. Armageddon has by the collapse of Germany been transferred from the battlefield to the peace table. A crisis, subterraneanly *in actu*, is imminent in the open among the Allies.

This crisis looks back to conditions that obtained prior to the war. The conditions were of enmities and rivalries which the necessity of facing a powerful and unscrupulous foe forced into the background and repressed, replacing it with the adventitious and imposed unity of the common military and economic endeavor. Now that the cause of this external unity has been destroyed, the enmities and rivalries it repressed begin to reassert themselves, the stronger and the more violent for their repression. Of these the foremost in extent and import is the struggle of the classes, the struggle between labor and capital in industry, between peasant and landlord in agriculture. Over the continent of Europe, from Holland to Russia, from Finland to Bulgaria, this struggle had gone on, with varying fortunes, for a generation. The masters of Germany are said to have precipitated the foreign war in order to escape a civil one. So far as their own destinies are concerned, they have failed. Over the continent of Europe thrones have fallen, the rank and file of mankind have taken their sovereignty back to themselves. The democracy they seek to establish is not merely political, it is industrial and social. It is a very different democracy from that which opposed the Central Powers. It is a powerful and widespread aspiration of the great rank and file of that democracy, of the masses in shop and field, in mine and factory, whose self-surrender and devotion alone made the winning of the war inevitable.

The specific and concrete expression of this aspiration is the program of the British Labor Party, the program of the Interallied Labor and Socialist Conference. Failure at the peace table to meet the conditions of this program will not improbably turn the watchful discontent of the workers and soldiers in France and England and Italy into action that may become revolution.

Failure to meet it is likely if the financial interests of the bankers of England, France, and Italy are permitted to define the peace as a compromise in the division of spoils. That these interests have secretly made their own terms which they will seek to impose, is hardly to be questioned. For a century wars have ended with peace terms made in the interests of landlords or investors. To a large degree the war just over was precipitated by the conflict of such interests — conflict over loans, concessions, spheres of influence, colonies and protectorates. Behind these conflicts is a greed with which the masses of men have no concern; the greed of the frank "sacred egotism" of the imperialists of Italy, which has kept still unsettled the disputes between them and the new Slavic states over Dalmatia and the Adriatic; the greed of the secret treaty of 1915 between France and England over the division of Syria; the greed of bankers for the insurance with the blood and treasure of nations of their loans to the Czarist government of Russia; and other greeds for the gratification of which the old diplomacy was perfected and competitive armament vigorously maintained. The men in whose souls is this greed are everywhere closer to the agencies of government than the lovers of justice. Their influ-

ence upon those agencies in the making of peace is axiomatic, and the kind of peace they suppose themselves by the nature of their "interests" to be compelled to seek is one which will at the same time weaken possible rivals abroad and firmly establish reaction at home.

Prior to the war men of this class have in the United States been few in number and weak in influence. The Monroe doctrine and the traditional policy of American government toward the public insurance of private investments abroad were one factor hindering their development. The fact that the United States has itself for the most part been an undeveloped country with enormous natural resources was another of far greater importance. It was the determining element in the effectiveness of the Monroe doctrine and the fundamental cause of the economic development and social nature of the American polity. It made of the United States a debtor country; a country, that is, with insufficient capital to develop its own resources; a country, therefore, which had to import capital, and to seduce it from abroad by the enticement of large profits. In comparison with most of Europe outside of Russia, the United States is still an undeveloped country, thinly populated, offering wealth and station to anyone willing to risk the adventure of fighting for them. The United States lures therefore men as well as money. Immigration from Europe to America has been of far greater magnitude than immigration to any other undeveloped country. The degree of social instability, of flux and change, has been correspondingly greater also. There is no caste system in America. There are classes, of course,

because society must stratify to be workable, but the formations and memberships in these classes are not stable. American society exhibits an infinite deal of snobbery precisely for this reason. As there are no differences and distinctions that are being always taken for granted, as in Europe, numerous ones are constantly being made. Men and women do not accept their status as from birth. Native and immigrant alike are always hustling to "pull down" earnings and "get on." This getting, activist, hustling quality is so fundamental as to determine the American idiom: men are not born good, they "make good"; they do not "stand" for Parliament, they "run" for Congress; they are "comers" with whom there's always "something doing." The quality is the quality of a pronounced individualism, and individualism seems to be characteristic of those countries which have not yet attained economic equilibrium, in the sense that population and resources balance each other, whether naturally and justly or artificially, and surpluses of men or money can find no soil at home to grow in and must emigrate. Individualism and social fluidity go together. They determine the policies of labor even as of capital and endow them with an identical intent.

This is why "labor" in America has been called capitalistic and seems to be so backward in organization and purpose. Its members do not feel themselves to be stably of the laboring class. Nor, as yet, can they. There does not exist in America a labor organization which does not contain large numbers of men who hope to move from the status of laborer to status of employer; and they have numerous examples of such a progression

before their eyes. Labor unions and manufacturers associations are morally on a par. Both are recruited of a changing personnel concerned only about "getting on." The only class in the United States which approaches the stability of the social classes in Europe is the class of educated or half-educated intellectuals, living on salaries — the class of the clerk, the bookkeeper, the clergyman, the public school teacher, the engineer's draftsman, the professor, the social worker, the journalist. It is significant that the liberal movements in politics — the Progressive movement so admirably done to death by Mr. Roosevelt, the still-born National party, the Socialist movement — are most largely recruited and led by members of this class. It is equally significant that neither labor nor capital trusts it nor will make alliance with it; both Mr. Gompers and Mr. Lodge have spoken their decided disapproval of it and all its works. It is the class, incidentally, that has served more than any other, and more effectively, to bring the United States into the war, for the sake of democratic ideals.

In all these respects Europe — England is nearest to us — is almost the precise opposite of the United States. The working class is static; the upper classes are static. It is the intellectual class which is fluid, its members attaching themselves easily now to the workers, now to the rulers. In England, indeed, the fighting force of the Labor Party has been largely gained through the infiltration of the intellectuals.

An effect of the war has been to modify these relative positions in many respects. The needs of Europe that America served created a great indebtedness which Europe largely liquidated by the transfer

of American securities to American hands. Enormous French and English and other holdings of American bonds and stocks have been reduced to a minimum. Two-thirds of the world's gold reserve is in American banks. The United States has changed in four swift years from a debtor to a creditor country; the world's financial capital has shifted from London to New York. In the same period the incidence and degree of the balance of trade have changed, not only in relation to the democratic belligerents but also to South America and Asia and Africa. The German submarine campaign has compelled the creation of a shipping policy that converts American shipping into a powerful rival of the English, and the needs of reconstruction are more than likely to restrict the handicaps of this rivalry to the English. In consequence of these changes there have been created great financial organizations designed "to put America on the map" in the matter of the export of capital for investment in undeveloped countries abroad in loans, concessions, and so on, with the necessary concomitants at home of programs of heavy armaments and universal military service. Other organizations have been formed to exploit and develop the commercial advantages gained at the expense of our associates during the war, and still others are proposed to carry the United States into direct competition with England in the matter of shipping. The interests here involved assert themselves forcibly, and their power at the peace table may not be questioned. Even if they are without direct representation among the delegates of the United States, they will be well represented wherever financial imperialism is represented. The

operations of the nuncios of these interests from other countries may compel defense of their American counterparts by the emissaries of this. Their power over the agencies of public opinion, moreover, is notorious.

On the other hand, the interesting administration of the Espionage Act has immensely weakened, if not paralyzed, the forces of liberalism that might effectively have opposed this imperialism. To substitute for the persistent individualism of our national life national unity in the conduct of the war, the constitutional rights of men were suspended. Power over their utterances on the platform or in the press fell into the hands of irresponsible and often not disinterested persons. Reflective and liberal opinion were distrusted by the government, and howled down and silenced by a patrioteering press, the same press, notably, that is now devoting itself so assiduously to denouncing and undermining — not, presumably, altogether of its own initiative — the policies which led America into the war. Nor was only reflective and liberal opinion distrusted. Labor was distrusted. Instead of a fundamental movement toward industrial democracy such as took place in England and brought the whole heart of English labor into the winning of the war, a system of industrial paternalism was worked out, and labor was drugged with awards of wages and hours and conditions into a prosperity unregarding of fundamentals for both war and peace. The result is that labor is intellectually and as an organization no farther advanced than it was before the beginning of the war. It has received much but has won nothing. At the peace table it is as likely to stand with tariff-

mongers and financial imperialists as with liberalism. The same thing is true in all other matters. The silencing of liberalism has no doubt facilitated the achievement without too sharp a challenge by reaction of a number of things liberals advocate, things such as the nationalization of railroads, telegraph and telephone lines, express service, and so on. But in these, as in the matter of labor, paternalism has been substituted for the normal processes of democracy. Opposition has been carefully repressed, not destroyed. Unity has been only apparent, not real. The country has been liberal by executive order, not by the force of public opinion. With the result that there is a political crisis in America, a crisis in which the Executive finds itself with an opposing legislature, and no efficacious public instrumentalities to bring this legislature to reason. Face to face with peace, the conflicts existing before the war and repressed by its coming manifest themselves over a wider extent and more bitterly, with the liberals on whom the Executive must depend at a decided disadvantage. It is under these conditions that the Executive goes to the peace table.

Over this table will loom a gigantic and fearful spectre. The dictators of public opinion have decreed that this spectre shall be called "Bolshevism." When Napoleon had been crushed in 1815 as the Hohenzollern was cut off in 1918, there was a looming spectre over the peace table at Vienna. The spectre was called Democracy. The Bolshevism of 1918 bears the same relation to the peace of 1918 that the Democracy of 1815 bore to the peace of 1815. The one is the direct descendant of the other, married to indus-

try. If war is not to be followed by social revolution all over Europe it is necessary that "Bolshevism" — which is only an ugly way of saying the disagreeable "Socialism" and the less disagreeable "Industrial Democracy" — shall be understood and reasoned with, not denounced and persecuted. Rightminded men know that proper treatment immediately converts the spectre of disorder into the spirit of freedom.

Which it shall be will depend entirely on how the problems of the construction of peace are faced — whether in the manner of the Holy Alliance or in the temper of the true democratic League of Nations. This, again, will depend on which of three groups of interests dominates the peace conference.

These three groups could be distinguished throughout the war, in all the countries of Europe. One is the kinship of the rank and file that fights wars, that *is* war, without whose supreme sacrifice no war can be made. It is the aggregation of the "plain people" to whose demands of the governments of Europe to state their peace terms the President of the United States referred in his great address of September 27. The voice of this group is the Interallied Labor and Socialist Conference. Its spontaneously adopted leader is Woodrow Wilson. In all the lands of the Alliance it has surrendered its all to the cause — its sons to battle, its hard-won and hardly-defended rights of labor to efficiency, its liberty to unity, its future — to the governments that have pledged it safety and opportunity and freedom as the reward of victory.

Another group was first and last financial and imperialist. It was concerned only with the security and expansion of its investments. It was eager to

insure the high returns on loans to Russia and concessions in China and Syria and colonies in Africa, to the point of utterly destroying all rivalry. From this group came the bitter-enders, the *jusqu'au boutistes*, the avengers and punishers, self-dedicated to the destruction of all competition, not at home nor in Europe, truly, but in Syria and China and Middle Africa.

The third group was of the same order as the second. The interest which is its soul is, however, a much more venerable one, and its affiliations in the structure and dominances of European societies are much more complicated. It sees more truly and more deeply than the second group, and it is afraid, dangerously afraid. It sees that what has been an issue in the war and remains even more fearfully an issue for the peace is no mere rivalry for concessions or colonies or spheres of influence, is none of the tawdry aspirations of imperialism, whether in feudal and cultural garbage as in Germany or nakedly financial as in France or England or Italy. It saw at issue in the war the very structure of society by whose ordering it held the privileged mastership of mankind. It was and remains afraid of the destruction of this complimentary and agreeable structure. Its most conspicuous voice has been Lord Lansdowne. It is the source of the most potent defeatist propaganda conducted among the Allies, both in financial circles and in the world of Labor. In the latter there has been doubt about the purposes of governments, but never defeatism. Defeatism, the record indicates, was a capitalistic-feudal ideal, an aspiration not of men but of masters anxious over their prerogatives in the institutions of civilization.

The two latter groups stand over against the first group. Their interests are opposed beyond any reconciliation. There cannot be arranged between them a peace without victory which shall at the same time be just and lasting.

For this reason there is a crisis also among the Allies which at the peace table will be assuaged or be converted into revolution.

Orderly growth in prosperity and freedom or revolution! Whether the one will come or the other will depend largely on the side which America favors at the peace table. Free from the "entangling alliances" of secret treaties, prosperous through the misfortunes of her associates beyond the dreams of finance, the making or breaking of Europe rests with the United States. From the United States will need to come a great proportion of the treasure necessary for the restoration of France and Belgium and Serbia and Palestine. From the United States will need to come for many years the food and the materials, raw and finished, essential to restoration of the normalities of Europe. And they will have to be carried in American bottoms. If the American delegates at the peace conference take their cues from the European imperialists they will have to drive sharp bargains, and the League of Nations they will create will be a Holy Alliance for the exploitation of the world, an unstable alliance with a chafing and reproachful England, a recalcitrant France and a sullen Japan. The choice will be with them because the power is with them.

If the American delegates take their cue from the imperialists the decision is not unlikely to be for "orderly," that is, reactionary and even monarchical

government in Germany, for intervention in Russia on a large scale, in order to reestablish "order"; the "self-determination of peoples" will be a hypocrisy and Mr. Bertrand Russell's prediction that American troops may be used to shoot down European strikers may come true. As the President of the United States pointed out on January 8, 1918, the acid test of the sincerity of the Allies will lie in their treatment of Russia. Russia — not the Russia of the Czar and his fellow-traitors to the cause of the Allies — but the true Russia, the Russia of Tolstoi and Gorki, of Lvov and Kerensky, of Lenine and Trotzky, has made the greatest of sacrifices in this war of peoples against privileges. Eight millions of Russian manhood has payed the penalty on the battlefield, paid because of the treachery of its leadership, not because of the strength of the enemy; paid because the military weakness of the Allies in the West twice called for a great immolation in the East. This must not be forgotten. Nor must it be forgotten, if the reports of most reliable and disinterested eyewitnesses are true, that Russia, even the Russia of Lenine and Trotzky, disabled from carrying on the war with arms carried it on with ideas, carried it on in the heart of Germany and with victorious effect. From Berne and Moscow, from Berlin and from Copenhagen, her educational propaganda, begun before Brest-Litovsk, went out. It permeated the workers. It strengthened the hands of the Independent Socialists, the only effective opposition at home which German imperialism faced. It wore down the supporting economic organization behind the beaten but not defeated German army. In spite of the protests and menances of the imperial

German government it went on, from the hearth of the Russian embassy in Berlin itself. It went on as the Russian emissaries had at Brest-Litovsk declared it would go on. It truly hastened victory. This also must not be forgotten.

Europe and America owe their liberation from the Teuton menace in no small degree to the men and women of Russia. With what coin will they repay Russia? With the imposition upon the people of Russia of a government of "law and order" by the force of Allied and American arms? With the insurance of the loans of foreign bondholders to the Czarist government that betrayed them, by the force of Allied and American arms? Or with assistance to any and all constructive social agencies in Russia to restore agriculture and industry, to reestablish and multiply communications, and to let the Russian people determine for themselves what sort of government they wish? They are not less competent than the Mexicans, and they deserve infinitely better at the hands of Europe and America. "The treatment accorded to Russia by her sister nations in the months to come," said the President of the United States on January 8, 1918, "will be the acid test of their good will, of *their comprehension of her need as distinguished from their own interests*, and of their intelligent and unselfish sympathy." (The italics are mine.) What "sister nation," one wonders, has shown true gold under this acid test, or is likely to show?

With the gage of Armageddon which is Russia belongs properly also that congeries of new states created by the recognition of the sovereignty and independence of Czecho-Slovacks, Poles, Jugo-Slavs,

Serbs, Montenegrins and other central-European nationalities. Each one of these nationalities dominates a territory inhabited by large minorities of other nationalities. In each one of these states, and particularly in those others created by Brest-Litovsk, — in Finland, the Baltic provinces, Ukrainia, — and still more particularly in Rumania, peasant is violently arrayed against exploiting landlord, workman against employer. The conflict between nationalities — Ruthenes against Poles in Poland, Croats against Serbs in Jugo-Slavia, Germans against Czechs and Slovaks in Bohemia, all nationalities against Jews everywhere, but particularly in Poland and Rumania — this conflict of nationalities is complicated furthermore by a conflict of religious sects, — Catholic against Orthodox against Lutheran against Socialist — and that is crossed by the fundamental warfare of masses and classes. The acid test in these instances will be the steps taken to safeguard national and religious minorities and to safeguard the freedom of men from the usurpations of property. Armageddon is certain in this portion of central Europe if, as would suit financial imperialism, political sovereignties are allowed their traditional unregulated and irresponsible sway, and if economic equality and freedom should fail to get established for them as for the thirteen sovereign states of the United States of America.

This cannot, however, be done without an effective organization of the League of Nations in accord with the principles laid down by President Wilson, and along the lines described in this book. But will it be done? What will the government of England do, when now, already, Mr. Hughes of Australia is shout-

ing down a just peace in Australia's interest; when now, already, Mr. Lloyd George has declared for "imperial preference" in trade and commerce, for the integration of the British Empire against the world? Now already the large shipping interests of England and the British navalists are acting on the assumption that the American attitude at the peace table will partake of the imperialism which is most natural to their own. They are preparing for a bitter competition in shipping and in trade. Nor are they too likely to welcome any alternative to it, for an alternative must carry with it the entire revision of the relation of Britain to the high seas. It must carry with it the establishment of the League of Nations. "The freedom of the seas" and the League of Nations are, as has already been shown, to a large degree coincident. It is a peculiarly American principle, and Mr. Wilson has adhered to it from his first word on peace conditions to his last. His definitive formulation of this principle was made in his address to the Senate, January 22, 1917:

> "So far as practicable, moreover, every great people now struggling toward a full development of its resources and of its powers should be assured a direct outlet to the great highways of the sea. Where this cannot be done by the cession of territory it can no doubt be done by the neutralization of direct rights of way under the general guarantee which will assure peace itself. With a right comity of arrangement no nation need be shut away from free access to the open paths of the world's commerce.

"And the paths of the sea must alike in law and in fact be free. The freedom of the seas is the *sine qua non* of peace, equality, and cooperation. No doubt a somewhat radical reconsideration of many of the rules of international practice hitherto sought to be established may be necessary in order to make the seas indeed free and common in practically all circumstances for the use of mankind, but the motive for such changes is convincing and compelling. There can be no trust or intimacy between the peoples of the world without them.

"The free, constant, unthreatened intercourse of nations is an essential part of the process of peace and of development. It need not be difficult to define or to secure the freedom of the seas if the Governments of the world sincerely desire to come to an agreement concerning it."

This formulation stands. It is accepted by the masses of England, by the masses of Europe. It is a part of the explicit program of these masses. With whom, at the negotiations at the peace table, will the representatives of America feel themselves forced to stand? If they are persuaded by the imperialists — and why may they not be persuaded — or *forced?* — they will betray these masses who have taken their guidance and leadership from America. And if they are persuaded by the imperialists they will occasion in France and in England and in Italy precisely the disorder that has overtaken Switzerland and Holland and Belgium and Spain. They will extend to the whole of Europe the revolution of Russia and of

Central Europe. This is in their power, because of the key-position which the United States, through the advantages gained by the misfortunes of Europe, occupies today in the economy of the world.

If they are persuaded by the imperialists they will be persuaded because they are afraid. Because they are afraid of the bugaboo "Bolshevism." But for America they need not be afraid. The individualistic character of life in America renders impossible that type of class-unity without which "Bolshevism" is impotent. The impotence of the Socialists as a political party, the attitude of American Labor toward Socialist doctrine and programs should make that clear beyond question. Until American society has the density and stratification of society in Europe, Socialism cannot take root in the United States. In Europe it springs as naturally and inevitably from the character of European society as individualism does from American. For this reason, the attempt to escape it by embracing imperialism will only substitute for the reconstruction of legislative reform the reconstruction of civil war. The way to meet "Bolshevism" is to cooperate with it, to neutralize its power for evil by making it an ally, by giving it also an interest in maintaining the relevant aspects of the present order of the world, and leaving men and women free in their own lands to choose for themselves between the conflicting elements of the two orders. Such a cooperation is possible only through a League of Nations constituted democratically and grounded on the community of economic interest and action between self-governing peoples.

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